
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2Q 2014 TVHP Benefit Relativity Factor Filing		
Project Name/Number:	/		

Filing at a Glance

Company:	TVHP
Product Name:	2Q 2014 TVHP Benefit Relativity Factor Filing
State:	Vermont
TOI:	ML02 Multi-Line - Other
Sub-TOI:	ML02.000 Multi-Line - Other
Filing Type:	GMCB Trend / Admin Charge
Date Submitted:	01/13/2014
SERFF Tr Num:	BCVT-129370736
SERFF Status:	Pending Industry Response
State Tr Num:	
State Status:	
Co Tr Num:	
Implementation	On Approval
Date Requested:	
Author(s):	Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
Reviewer(s):	Thomas Crompton (primary), Kelly Macnee, David Dillon, Jacqueline Lee, Judith Henkin
Disposition Date:	
Disposition Status:	
Implementation Date:	
State Filing Description:	

State: Vermont
TOI/Sub-TOI: ML02 Multi-Line - Other/ML02.000 Multi-Line - Other
Product Name: 2Q 2014 TVHP Benefit Relativity Factor Filing
Project Name/Number: /

Filing Company: TVHP

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Employer, Association Overall Rate Impact:
Filing Status Changed: 01/30/2014
State Status Changed: Deemer Date:
Created By: Jude Daye Submitted By: Jude Daye
Corresponding Filing Tracking Number:

Filing Description:
January 8, 2014

Judith Henkin, Esq.
Health Policy Director
Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, Vermont 05620

SUBJECT: The Vermont Health Plan – NAIC # 95696
Q2 2014 Benefit Relativity Factor Filing

Dear Ms. Henkin:

We are submitting for your review and approval benefit relativity factors for The Vermont Health Plan (TVHP). It is our desire to use these factors in the rating of TVHP large group products, for business that is new or renewing in the second quarter of 2014 or later.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Kevin Goddard

cc: Tom Crompton/GMCB
Ruth Greene/BCBSVT
Vince Mace/BCBSVT
Paul Schultz/BCBSVT

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant
445 Industrial Lane
Montpelier, VT 05601

dayej@bcbsvt.com
802-371-3244 [Phone]

SERFF Tracking #: BCVT-129370736**State Tracking #:****Company Tracking #:**

State: Vermont**Filing Company:** TVHP**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other**Product Name:** 2Q 2014 TVHP Benefit Relativity Factor Filing**Project Name/Number:** /

Filing Company Information

TVHP	CoCode: 95696	State of Domicile: Vermont
PO BOX 186	Group Code:	Company Type: HMO
Montpelier, VT 05601	Group Name:	State ID Number:
(802) 371-3450 ext. [Phone]	FEIN Number: 03-0354356	

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

SERFF Tracking #:	BCVT-129370736	State Tracking #:	Company Tracking #:
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2Q 2014 TVHP Benefit Relativity Factor Filing		
Project Name/Number:	/		

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	01/15/2014	01/15/2014

Response Letters

Responded By	Created On	Date Submitted
Jude Daye	01/17/2014	01/21/2014

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Response to 2Q 2014 TVHP Benefit Relativity Factor Filing	Note To Reviewer	Jude Daye	01/17/2014	01/17/2014

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 Multi-Line - Other/ML02.000 Multi-Line - Other
Product Name: 2Q 2014 TVHP Benefit Relativity Factor Filing
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	01/15/2014
Submitted Date	01/15/2014
Respond By Date	01/20/2014

Dear Jude Daye,

Introduction:

Please see the attached letter. Please respond no later than noon Eastern January 20, 2014.

Thank you.

Conclusion:

*Sincerely,
Jacqueline Lee*

**Dallas**

Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
Michael A. Mayberry, F.S.A.
David M. Dillon, F.S.A.
Gregory S. Wilson, F.C.A.S.
Steven D. Bryson, F.S.A.
Bonnie S. Albritton, F.S.A.
Brian D. Rankin, F.S.A.
Wesley R. Campbell, F.S.A.
Jacqueline B. Lee, F.S.A.
Robert E. Gove, A.S.A.
J. Finn Knox-Seith, A.S.A.
Brian C. Stentz, A.S.A.
Jay W. Fuller, A.S.A.
Sujaritha Tansen, A.S.A.
Josh A. Hammerquist, A.S.A.
Xiaoxiao (Lisa) Jiang, A.S.A.
Jennifer M. Allen, A.S.A.
Sergei Mordovin, A.S.A.
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

Kansas City

Gary L. Rose, F.S.A.
Terry M. Long, F.S.A.
David L. Batchelder, A.S.A.
Leon L. Langlitz, F.S.A.
Gary R. McElwain, FLMI
Anthony G. Proulx, F.S.A.
Thomas L. Handley, F.S.A.
D. Patrick Glenn, A.S.A., A.C.A.S.
Christopher H. Davis, F.S.A.
Karen E. Elsom, F.S.A.
Jill J. Humes, F.S.A.

London / Kansas City

Roger K. Annin, F.S.A.
Timothy A. DeMars, F.S.A.
Scott E. Morrow, F.S.A.

Baltimore

David A. Palmer, C.F.E.

January 15, 2014

Jude Daye, Executive Assistant
The Vermont Health Plan
PO Box 186
Montpelier, VT 05601

Re: The Vermont Health Plan
2Q 2014 TVHP Benefit Relativity Factor Filing
SERFF Tracking #: BCVT-129370736

Dear Jude Daye:

We have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced group products filing submitted on 1/13/2014. The following additional information is required for this filing.

1. Please submit the SERFF PDF Pipelines with all communications for the previously approved version of this filing and the filing that is referenced specifically in the Actuarial Memorandum.
2. Provide the credibility formula that is applied to large groups. Include 2 examples from previous filings for large groups that are not fully credible.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but no later than noon Eastern on January 17, 2014. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

A handwritten signature in black ink that reads "Josh Hammerquist". The signature is written in a cursive, flowing style.

Josh Hammerquist A.S.A., M.A.A.A.
Assistant Vice President & Consulting Actuary
Lewis & Ellis, Inc.
jhammerquist@lewisellis.com
(972)850-0850

SERFF Tracking #:	BCVT-129370736	State Tracking #:	Company Tracking #:
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2Q 2014 TVHP Benefit Relativity Factor Filing		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	01/17/2014
Submitted Date	01/21/2014

Dear Thomas Crompton,

Introduction:

Attached please find the response from BCBSVT on the "Objection" to the 2Q 2014 TVHP Benefit Relativity Factor Filing.

Response 1

Comments:

Requested documentation for objection.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter - Response to TVHP LG Benefit Relativity Factors Actuarial Review Interrogatories
Comments:	
Attachment(s):	Response to TVHP LG Benefit Relativity Factors Actuarial Review Interrogatories- 01.15.2014.pdf
Satisfied - Item:	BCVT-128888672 - TVHP Group Merit Rating Program Filing Documentation
Comments:	
Attachment(s):	BCVT-128888672 - TVHP Group Merit Rating Program Filing.pdf
Satisfied - Item:	BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing Documentation
Comments:	
Attachment(s):	BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing.pdf

SERFF Tracking #:	BCVT-129370736	State Tracking #:	Company Tracking #:
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2Q 2014 TVHP Benefit Relativity Factor Filing		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter - Response to TVHP LG Benefit Relativity Factors Actuarial Review Interrogatories
Comments:	
Attachment(s):	Response to TVHP LG Benefit Relativity Factors Actuarial Review Interrogatories- 01.15.2014.pdf
Satisfied - Item:	BCVT-128888672 - TVHP Group Merit Rating Program Filing Documentation
Comments:	
Attachment(s):	BCVT-128888672 - TVHP Group Merit Rating Program Filing.pdf
Satisfied - Item:	BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing Documentation
Comments:	
Attachment(s):	BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter - Response to TVHP LG Benefit Relativity Factors Actuarial Review Interrogatories
Comments:	
Attachment(s):	Response to TVHP LG Benefit Relativity Factors Actuarial Review Interrogatories- 01.15.2014.pdf
Satisfied - Item:	BCVT-128888672 - TVHP Group Merit Rating Program Filing Documentation
Comments:	
Attachment(s):	BCVT-128888672 - TVHP Group Merit Rating Program Filing.pdf
Satisfied - Item:	BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing Documentation
Comments:	
Attachment(s):	BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

*Sincerely,
Jude Daye*

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2Q 2014 TVHP Benefit Relativity Factor Filing		
Project Name/Number:	/		

Note To Reviewer

Created By:

Jude Daye on 01/17/2014 09:38 AM

Last Edited By:

Jude Daye

Submitted On:

01/17/2014 09:38 AM

Subject:

Response to 2Q 2014 TVHP Benefit Relativity Factor Filing

Comments:

Attached please find the documents for the objection posted on 1/15/14.



January 17, 2014

Mr. Josh Hammerquist, A.S.A., M.A.A.A.
Assistant Vice President & Consulting Actuary
Lewis & Ellis, Inc.

**Subject: Your 01/15/2014 Questions re: The Vermont Health Plan
2Q 2014 BCBSVT Benefit Relativity Factor Filing (SERFF Tracking #: BCVT-129370736)**

Dear Mr. Hammerquist:

In response to your request dated January 15, 2014, here are *your questions* and our answers:

1. Please submit the SERFF PDF Pipelines with all communications for the previously approved version of this filing and the filing that is referenced specifically in the Actuarial Memorandum.

Please find attached the SERFF PDF Pipelines for:

- BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing
- BCVT-128888672 - TVHP Group Merit Rating Program Filing

2. Provide the credibility formula that is applied to large groups. Include 2 examples from previous filings for large groups that are not fully credible.

We do not file large group rates in Vermont. The credibility formula is described in BCVT-128888672 - TVHP Group Merit Rating Program Filing, page 10 of 25, attached as per above.

Please let us know if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Schultz".

Paul Schultz, F.S.A., M.A.A.A.

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing		
Project Name/Number:	/		

Filing at a Glance

Company:	TVHP
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing
State:	Vermont
TOI:	ML02 - Multi-Line - Other
Sub-TOI:	ML02.0000 - Multi-Line - Other
Filing Type:	Trend / Admin Charge
Date Submitted:	12/31/2012
SERFF Tr Num:	BCVT-128829695
SERFF Status:	Closed-Approved
State Tr Num:	63890
State Status:	Approved
Co Tr Num:	
Co Status:	
Implementation	On Approval
Date Requested:	
Author(s):	Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
Reviewer(s):	Sean Londergan (primary)
Disposition Date:	05/01/2013
Disposition Status:	Approved
Implementation Date:	04/01/2013

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP 2Q 2013 Benefit Relativity Factor Filing
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Employer, Association Overall Rate Impact:
Filing Status Changed: 05/01/2013 Company Status Changed:
State Status Changed: 05/01/2013 Deemer Date:
Created By: Jude Daye Submitted By: Pam Young
Corresponding Filing Tracking Number:

Filing Description:
December 27, 2012

Phil Keller
Director of Insurance Rates and Forms
Vermont Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

SUBJECT: The Vermont Health Plan – NAIC # 95696
Q2 2013 Benefit Relativity Factor Filing

Dear Mr. Keller:

We are submitting for your review and approval benefit relativity factors for The Vermont Health Plan (TVHP). It is our desire to use these factors in the rating of TVHP large group products, for business that is new or renewing in the second quarter of 2013 or later.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Kevin Goddard

cc: Tammy Tomczyk/Oliver Wyman
Sean Londergan/BISHCA
Ruth Greene/BCBSVT
Vince Mace/BCBSVT
Donna Lee/BCBSVT

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant dayej@bcbsvt.com

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP 2Q 2013 Benefit Relativity Factor Filing
Project Name/Number: /

445 Industrial Lane 802-371-3244 [Phone]
Montpelier, VT 05601

Filing Company Information

TVHP	CoCode: 95696	State of Domicile: Vermont
PO BOX 186	Group Code:	Company Type: HMO
Montpelier, VT 05601	Group Name:	State ID Number:
(802) 371-3450 ext. [Phone]	FEIN Number: 03-0354356	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	
Per Company:	Yes

Company	Amount	Date Processed	Transaction #
TVHP	\$50.00	12/31/2012	66118424

SERFF Tracking #:	BCVT-128829695	State Tracking #:	63890	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing				
Project Name/Number:	/				

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Sean Londergan	05/01/2013	05/01/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Rate Filing Deemed Complete	Note To Filer	Sean Londergan	02/14/2013	02/14/2013

SERFF Tracking #:	BCVT-128829695	State Tracking #:	63890	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing				
Project Name/Number:	/				

Disposition

Disposition Date: 05/01/2013

Implementation Date: 04/01/2013

Status: Approved

Comment: Per 8 V.S.A. §4062(a)(2)(B) the Green Mountain Care Board is deemed to have approved the company's filing.

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Filing Compliance Certification		Yes
Supporting Document	Health Administrative Forms		Yes
Supporting Document	Health Filing Data		Yes
Supporting Document	Third Party Filing Authorization		Yes
Supporting Document	Table of Contents and Exhibits		Yes

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing		
Project Name/Number:	/		

Note To Filer

Created By:

Sean Londergan on 02/14/2013 10:43 AM

Last Edited By:

Sean Londergan

Submitted On:

02/14/2013 10:43 AM

Subject:

Rate Filing Deemed Complete

Comments:

This note is to advise the company that this rate filing has been deemed complete as of February 11, 2013 - meaning that the Department's 30-day review period for both filings runs through March 13, 2013.

Sean Londergan

Rate & Form Analyst

Department of Financial Regulation

SERFF Tracking #:	BCVT-128829695	State Tracking #:	63890	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing				
Project Name/Number:	/				

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	TVHP Q2 2013 BRV Filing - Actuarial Memorandum.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Filing Complicance Certification.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Health Administrative Forms
Comments:	
Attachment(s):	F106 Form 2Q 2013 TVHP Benefit Relativity Filing.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Health Filing Data
Bypass Reason:	Our variability data is filed with our outline of coverage filings.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	Our variability data is filed with our outline of coverage filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Table of Contents and Exhibits
Comments:	
Attachment(s):	TVHP Q2 2013 BRV Filing - Table of Contents.pdf TVHP Q2 2013 BRV Filing - Exhibits.pdf
Item Status:	

SERFF Tracking #:	BCVT-128829695	State Tracking #:	63890	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing				
Project Name/Number:	/				

Status Date:	
---------------------	--

The Vermont Health Plan Q2 2013 Benefit Relativity Methodology Actuarial Memorandum

Purpose

The purpose of this narrative is to describe the methodology for determining a common set of benefit relativities for the rating of The Vermont Health Plan (TVHP) plans. It is our desire to use the relativity factors derived from this methodology, and displayed in the exhibits, for the rating of large group business that is new or renewing in the second quarter of 2013 or later.

Overview

To determine standardized pure premium rate relationships, also called relativities¹, TVHP has created models that simulate the impact of member benefits for the following types of plans: BlueCare LO Options (BCLO), Open Access (OAP), BlueCare (HMO), BlueCare Options (POS), Consumer Driven Health Plans (CDHP's) and Prescriptions Drugs. The models determine the allowed charges for the latest complete calendar year included in the study, and "re-adjudicate" the claims, thereby simulating the impact of member cost sharing for a given benefit plan.

Claims data has been taken from Blue Cross and Blue Shield of Vermont's² (BCBSVT) data warehouse. The starting point of the analysis is allowed charges as determined by the BCBSVT claims adjudication system. The claims data includes benefit codes that enable us to identify the services and benefit structures (copays, deductibles, and coinsurance).

For each benefit plan of interest, the models produced simulated PMPM values of the benefits. The model then applies utilization adjustment factors to account for the expected benefit induced utilization. One plan has been chosen as the "base" plan. The utilization-adjusted PMPM for each plan was then divided by the base plan PMPM to produce its relativity. Relativities are included for medical only plans, Rx only plans, and CDHP plans.

The chosen base plan is:

Medical: HMO \$50 Office Visit, \$2,500 combined hospital deductible, \$200 ER, \$150 Ambulance

Rx: \$100 Deductible, \$5/\$25/\$50 Copays, Diabetic Supplies Same as Any Other, Lifestyle Exclusion Rider, Mail Order 2.5x, \$1,250 OOP

The relativity factors will be used only to adjust the relativities between benefit plans. Tier factors for the various contract types (e.g. Single, Two-Person, Family) are not affected by this analysis. The relativities also will not affect the overall expected claims level, which will be determined by the usual experience renewal calculation for each piece of business.

¹ It is our intention that the relativities will be applied to the Projected Standard Plan Single Claims Rate, as outlined in the to-be-filed TVHP Group Merit Rating Program filing.

² For purposes of this filing, "BCBSVT" refers to both "BCBSVT/TVHP", since the data warehouse and claims processing systems span both entities.

**The Vermont Health Plan
Q2 2013 Benefit Relativity Methodology
Actuarial Memorandum**

Medical vs. Pharmacy Weight

The ratio of medical to drug allowed charges, based on the latest experience and trends, is as follows:

	<u>Medical</u>	<u>Pharmacy</u>
Weights	0.821	0.179

These medical-pharmacy weights are reflected in the final benefit relative values.

Medical Benefit Model Details

1. Incurred allowed charges from 2011, paid through July 2012, were used. The charges were trended to July 1, 2014. This date is the midpoint of the 12-month period that begins January 1, 2014. (The majority of the business that will be renewed with these factors has a January 1 renewal date.)
2. The claims from TVHP Group business are included in the analysis; individual lines of business claims have been excluded. Claims from large groups with special benefits have also been excluded. Only plans with both medical and pharmacy benefits are included.
3. The HMO, POS, BCLO and OAP models use claims experience and member months from all TVHP products, including CDHP products.
4. The claims were categorized according to how benefits are paid. Claims were separated into office copay, inpatient, outpatient surgery, ER, ambulance and preventive care categories. Claims were split for In-Network and Out-of-Network benefits, if applicable.
5. Continuance tables were then created to model the impact of deductibles and out-of-pocket maximums. Cost/Frequency tables were created to model the impact of copays.
6. The following medical-only models were created: HMO, POS, BCLO and OAP.

Pharmacy Benefit Model Details

1. Incurred allowed drug charges from 2011, paid through July 2012, were used. As with the Medical Benefit Model, the charges were trended to July 1, 2014.
2. The claims included are from BCBSVT Insured Group, BCBSVT Self Funded and TVHP business. Claims experience from Individual lines of business has been excluded from the analysis. Claims from large groups with special benefits have also been excluded. Only plans with both medical and pharmacy benefits are included.

**The Vermont Health Plan
Q2 2013 Benefit Relativity Methodology
Actuarial Memorandum**

3. Within the model, scripts are assigned to one of six categories:
 - Retail Generic • Retail Preferred Brand • Retail Non-Preferred Brand
 - Mail Generic • Mail Preferred Brand • Mail Non-Preferred Brand
4. Cost/Frequency tables were created for the six categories to model the impact of copays and coinsurance. The model assumes that the member will pay the lesser of the allowed charge of the prescription or the amount of their copay.
5. A continuance table was used to assess the impact of deductibles and out-of-pocket maximums. With Vermont Act 171, all pharmacy benefits will have an OOPM of \$1,250 during 2013. It is expected that this limit will increase to a yet unknown amount, following the IRC rules for Health Savings Account and High Deductible Plans, in 2014.
6. **Options for the Drug Cards**
 - a. Diabetic Supplies:
 - Diabetic supplies are covered at 100%, with no member cost-sharing
 - Diabetic supplies are subject to the same member cost shares as any other Rx (SAAO)
 - b. Mail Order Drugs (90 day supply):
 - Member cost sharing is 2.0X retail cost sharing
 - Member cost sharing is 2.5X retail cost sharing
 - c. Lifestyle Exclusion Rider:
 - Lifestyle drugs are included and member cost-sharing is the same as any other drug
 - Lifestyle drugs are excluded
 - d. Women's Wellness
 - If the plan is subject to the preventive care provisions of the Affordable Care Act (or has elected to comply with those provisions), then contraceptives are covered at 100%
 - If the plan is not subject to the preventive care provisions of the Affordable Care Act, then member cost sharing will apply the same as any other prescription

CDHP Benefit Model Details

1. Incurred allowed charges from 2011, paid through July 2012, were used. The charges were trended to July 1, 2014. This date is the midpoint of the 12-month period that begins January 1, 2014. (The majority of the business that will be renewed with these factors has a January 1 renewal date.)
2. The claims from TVHP Group business are included in the analysis; Individual lines of business claims have been excluded. Claims from large groups with

**The Vermont Health Plan
Q2 2013 Benefit Relativity Methodology
Actuarial Memorandum**

special benefits have also been excluded. Only plans with both medical and pharmacy benefits are included.

3. The CDHP model uses claims experience and member months from all TVHP products.
4. **Rx Options in CDHP Model**
 - a. Wellness drugs (Safe Harbor Drugs) can be provided on a first-dollar basis, i.e. they are not subject to the integrated deductible.
 - b. After the integrated deductible is satisfied, pharmacy claims (including wellness) can have unique cost-sharing benefits until the integrated out-of-pocket maximum is satisfied.
 - c. The model assumes that all CDHP benefits will comply with Vermont Act 171, which limits a member's pharmacy out-of-pocket to \$1,250 during 2013. It is expected that this limit will increase to a yet unknown amount, following the IRC rules for Health Savings Account and High Deductible Plans, in 2014.
5. A "claim-by-claim" re-adjudication model assesses the impact of CDHP deductibles, out-of-pocket maximums and no cost-share preventive care (ACA) services with various wellness benefits and Act 171 limitations incorporated.

Utilization Adjustment

1. A separate analysis was done which organized claims data by plan type and benefit design (deductible-based, copay-based, CDHP and pharmacy).
2. Utilization adjustment factors were developed for each benefit design, using the paid-to-allowed ratio to adjust up or down from the base simulated PMPM. These utilization factors are shown in Exhibits I, II and III, along with the benefit relativities.

Applying the Relativities

Once the TVHP Group Merit Rating Program filing has been submitted and approved, the benefit relativities will be used in accordance with that filing.

If there is a future need for relativities for benefit designs that are not displayed in the Exhibits³, we will use the methodology described in this filing to simulate the impact of the benefits and relate the resulting PMPM's to the base PMPM.

³ An example of this is the need for new relativities with the announcement of the 2014 IRC rules for Health Savings Account and High Deductible Plans, since the 2014 drug out-of-pocket limit under Vermont Act 171 will change accordingly.

**The Vermont Health Plan
Q2 2013 Benefit Relativity Methodology
Actuarial Memorandum**

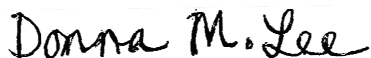
Actuarial Opinion

The purpose of this filing is to develop benefit relative value factors for use in rating TVHP small group and large group business. This filing is not intended to be used for other purposes.

The data used in this analysis has been reviewed for reasonableness and consistency; however, it has not been audited.

It is my opinion that, in aggregate, the benefit relative value factors presented in this filing fall within a range of reasonable trend values. They will produce premium rates that are reasonable in relation to the benefits provided, adequate, not excessive, and not unfairly discriminatory.


I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's Qualification Standards to render this opinion.


A handwritten signature in black ink that reads "Donna M. Lee". The signature is written in a cursive, flowing style.

Donna M. Lee, F.S.A., M.A.A.A.

December 20, 2012

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont



Kevin Goddard
Vice President, External Affairs and Sales

Date

Health Filing Form F106 (7/98)
Required Information for All Filings & the Fee

NAIC#: 95696
Company Name The Vermont Health Plan
Address: PO Box 186
City, State, Zip: Montpelier, VT 05601
Phone: 371-3450 Contact Person: Alison Partridge

Filing Contents: TVHP 2Q 2013 Benefit Relativity Factor Filing

- 1) New: ☒ Change: ☐
If a Change: Latest Approval Date _____ Vermont Filing #: _____
2) Rates: ☒ Forms: ☐ Rates & Forms: ☐
3) Policy: ☐ Contract: ☐ Amendment: ☐ Endorsement: ☐
Handbook: ☐ Rider: ☐ Certificate: ☐ Other: Outline
4) Individual: ☐ Small Group (1-50): ☐ Large Group (51+): ☐ All Groups: ☐

Type of Filing:

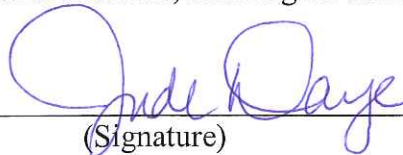
Accident Only: <input type="checkbox"/>	Dental: <input type="checkbox"/>	Miscellaneous: <input type="checkbox"/>
AD&D: <input type="checkbox"/>	Disability: <input type="checkbox"/>	Nursing Home Only: <input type="checkbox"/>
Advertising: <input type="checkbox"/>	Home Health Only: <input type="checkbox"/>	Organ Transplant: <input type="checkbox"/>
Blanket: <input type="checkbox"/>	Hospital Indemnity: <input type="checkbox"/>	Prescription Drug: <input type="checkbox"/>
Cancer Expense: <input type="checkbox"/>	Limited Benefit: <input type="checkbox"/>	Student/Athlete: <input type="checkbox"/>
Comprehensive/ Major Medical: <input type="checkbox"/>	Long Term Care: Qualified: <input type="checkbox"/>	Stop Loss/Excess Risk: <input type="checkbox"/>
Conversion: <input type="checkbox"/>	Non-Qualified: <input type="checkbox"/>	Travel: <input type="checkbox"/>
Critical Illness: <input type="checkbox"/>	Medicare Supplement: <input type="checkbox"/>	Vision: <input type="checkbox"/>
		Other: <u>Health</u> <input checked="" type="checkbox"/>

Mandatory - Filing Fee Information:

1. State of Domicile: Vermont
2. Amount of Fee: \$50.00
3. Is the Fee you are sending based on your state of domicile's retaliatory fee? Yes ☐ No ☒
4. Explain how each part of the Fee was determined, showing all calculation (use separate sheet if necessary). Vermont filing fee

5. Fee calculated by: Jude Daye
(Printed Name)

(Signature)



The Vermont Health Plan Q2 2013 Benefit Relativity Methodology Filing Table of Contents

Actuarial Memorandum

Exhibit I Relativities for BCLO and OAP Plans

Exhibit II Relativities for CDHP Plans

Exhibit III Relativities for HMO and POS Plans

Exhibit IV Relativities for Rx Plans

The Vermont Health Plan
Benefit Plan Relative Value Factors
BlueCare LO Options (BCLO) and Open Access (OAP) Medical Plans

index	Product	In-Network						Out-of-Network			PPACA Compliant	
		Deductible	Coinsurance	Out-of-Pocket	Office Copay	Specialist Copay	ER ¹ Copay	Deductible	Coinsurance	Out-of-Pocket	Utilization	Relativity
1	BCLO	\$2,500	20%	\$5,000	\$25	\$25					0.9341	0.6046
2	BCLO	\$5,000	0%	\$5,000	\$30	\$30					0.9139	0.5562
3	BCLO	\$2,500	0%	\$2,500	NA ²	NA ²					0.9568	0.6589
4	OAP	\$1,000	0%	\$1,000	\$20	\$20	\$100	\$2,000	40%	\$4,000	1.0210	0.8219
5	OAP	\$1,000	20%	\$2,000	\$20	\$20	\$100	\$2,000	40%	\$4,000	1.0028	0.7769
6	OAP	\$2,000	20%	\$4,000	\$30	\$30	\$100	\$4,000	40%	\$8,000	0.9665	0.6878
7	OAP	\$3,000	0%	\$3,000	\$30	\$30	\$100	\$5,000	40%	\$10,000	0.9690	0.6940
8	OAP	\$3,000	20%	\$5,000	\$30	\$30	\$250	\$5,000	40%	\$10,000	0.9474	0.6413

1. **ER Copay:** the displayed member copay goes toward the facility allowed charges. Associated physician and ancillary charges are the covered at 100%.
2. For the BCLO product, Office and Specialist Copay can be under the deductible.
3. BCLO does not have Out-of-Network benefits.

**The Vermont Health Plan
Benefit Plan Relative Value Factors
Consumer Driven Health Plans (CDHP's)**

index	Product	In-Network						Unlimited OOPM		\$1,200 OOPM		\$1,250 OOPM	
		Deductible	Coinsurance	Out-of-Pocket	RX OOPM Limit ³	Wellness Rx ¹	Drugs After Deductible ²	Utilization	Relativity	Utilization	Relativity	Utilization	Relativity
									Active		Active		Active
1	CDHP	\$1,500	0%	\$1,500	\$1,250	N/A	0%	0.9666	0.8977	0.9673	0.9070	0.9672	0.9066
2	CDHP	\$1,500	20%	\$2,500	\$1,250	N/A	20%	0.9505	0.8336	0.9514	0.8470	0.9513	0.8463
3	CDHP	\$1,500	10%	\$3,000	\$1,250	N/A	10%	0.9520	0.8399	0.9532	0.8539	0.9532	0.8532
4	CDHP	\$2,000	0%	\$2,000	\$1,250	N/A	0%	0.9539	0.8461	0.9554	0.8611	0.9553	0.8603
5	CDHP	\$2,000	20%	\$3,000	\$1,250	N/A	20%	0.9377	0.7881	0.9394	0.8066	0.9393	0.8058
6	CDHP	\$2,000	20%	\$3,500	\$1,250	N/A	10%/25%/25%	0.9325	0.7714	0.9348	0.7924	0.9346	0.7915
7	CDHP	\$2,250	0%	\$2,250	\$1,250	N/A	0%	0.9477	0.8231	0.9498	0.8411	0.9496	0.8402
8	CDHP	\$2,500	0%	\$3,500	\$1,250	N/A	\$10/\$30/\$50	0.9393	0.7856	0.9431	0.8151	0.9429	0.8138
9	CDHP	\$2,500	0%	\$2,500	\$1,250	N/A	0%	0.9417	0.8016	0.9443	0.8227	0.9442	0.8216
10	CDHP	\$2,500	10%	\$5,000	\$1,250	N/A	10%	0.9226	0.7402	0.9267	0.7677	0.9265	0.7666
11	CDHP	\$2,500	20%	\$3,500	\$1,250	N/A	20%	0.9255	0.7485	0.9283	0.7723	0.9281	0.7713
12	CDHP	\$3,000	0%	\$3,000	\$1,250	N/A	0%	0.9300	0.7623	0.9339	0.7894	0.9337	0.7883
13	CDHP	\$3,000	20%	\$4,000	\$1,250	N/A	20%	0.9139	0.7134	0.9179	0.7423	0.9177	0.7412
14	CDHP	\$3,000	20%	\$5,500	\$1,250	N/A	10%/25%/25%	0.9007	0.6768	0.9068	0.7122	0.9065	0.7110
15	CDHP	\$4,000	0%	\$4,000	\$1,250	N/A	0%	0.9078	0.6957	0.9145	0.7331	0.9143	0.7318
16	CDHP	\$5,000	0%	\$5,000	\$1,250	N/A	0%	0.8873	0.6407	0.8970	0.6865	0.8966	0.6852
17	CDHP	\$10,000	0%	\$10,000	\$1,250	N/A	0%	0.8745	0.4950	0.8933	0.5687	0.8929	0.5672
18	CDHP	\$2,000	20%	\$3,000	\$1,250	\$10/\$30/\$50	\$10/\$30/\$50	0.9371	0.7929	0.9386	0.8076	0.9385	0.8071
19	CDHP	\$2,500	0%	\$3,500	\$1,250	\$10/\$30/\$50	\$10/\$30/\$50	0.9383	0.7908	0.9413	0.8134	0.9412	0.8125
20	CDHP	\$2,500	0%	\$2,500	\$1,250	\$10/\$30/\$60	0%	0.9415	0.8080	0.9434	0.8241	0.9433	0.8235
21	CDHP	\$3,000	0%	\$4,000	\$1,250	\$10/\$30/\$50	\$10/\$30/\$50	0.9269	0.7549	0.9308	0.7812	0.9307	0.7802
22	CDHP	\$3,000	0%	\$3,000	\$1,250	\$10/\$30/\$50	0%	0.9301	0.7706	0.9329	0.7906	0.9328	0.7899
23	CDHP	\$5,950	0%	\$5,950	\$1,250	\$15/\$40/\$60	0%	0.8806	0.6166	0.8901	0.6547	0.8898	0.6537
24	CDHP	\$2,250	0%	\$2,250	\$1,250	0%	0%	0.9476	0.8324	0.9493	0.8466	0.9492	0.8460
25	CDHP	\$2,500	0%	\$3,500	\$1,250	0%	50%	0.9381	0.7891	0.9416	0.8151	0.9414	0.8141
26	CDHP	\$2,500	0%	\$3,500	\$1,250	0%	\$10/\$30/\$50	0.9395	0.7981	0.9423	0.8195	0.9422	0.8187
27	CDHP	\$2,500	0%	\$2,500	\$1,250	0%	0%	0.9418	0.8122	0.9438	0.8283	0.9437	0.8276
28	CDHP	\$2,500	20%	\$5,950	\$1,250	50%	50%	0.9042	0.6839	0.9102	0.7217	0.9100	0.7205
29	CDHP	\$3,000	0%	\$3,000	\$1,250	0%	0%	0.9305	0.7753	0.9334	0.7951	0.9333	0.7944
30	CDHP	\$4,000	0%	\$4,000	\$1,250	0%	0%	0.9095	0.7130	0.9143	0.7391	0.9141	0.7382
31	CDHP	\$5,000	0%	\$5,000	\$1,250	0%	0%	0.8902	0.6614	0.8971	0.6929	0.8969	0.6920
32	CDHP	\$5,000	0%	\$5,000	\$1,250	\$10/\$30/\$50	0%	0.8890	0.6549	0.8959	0.6874	0.8957	0.6864
33	CDHP	\$5,950	0%	\$5,950	\$1,250	0%	0%	0.8838	0.6264	0.8926	0.6626	0.8924	0.6617
34	CDHP	\$2,000	0%	\$2,000	\$1,250	\$5/40%/60%	0%	0.9536	0.8502	0.9548	0.8625	0.9547	0.8620
35	CDHP	\$2,000	20%	\$3,000	\$1,250	\$5/40%/60%	20%	0.9371	0.7915	0.9385	0.8073	0.9385	0.8066
36	CDHP	\$2,000	50%	\$5,950	\$1,250	\$0/50%/50%	50%	0.8926	0.6611	0.8974	0.6907	0.8972	0.6897
37	CDHP	\$2,250	0%	\$2,250	\$1,250	\$5/40%/60%	0%	0.9476	0.8279	0.9490	0.8422	0.9489	0.8416
38	CDHP	\$2,250	20%	\$3,250	\$1,250	\$5/40%/60%	20%	0.9311	0.7719	0.9329	0.7896	0.9328	0.7889
39	CDHP	\$2,450	10%	\$5,950	\$1,250	\$0/50%/50%	10%	0.9201	0.7378	0.9243	0.7644	0.9241	0.7635
40	CDHP	\$2,500	0%	\$2,500	\$1,250	\$5/40%/60%	0%	0.9416	0.8071	0.9435	0.8235	0.9434	0.8228
41	CDHP	\$2,500	20%	\$3,500	\$1,250	\$5/40%/60%	20%	0.9252	0.7535	0.9274	0.7731	0.9273	0.7724
42	CDHP	\$3,000	0%	\$3,000	\$1,250	\$5/40%/60%	0%	0.9301	0.7693	0.9329	0.7898	0.9327	0.7890
43	CDHP	\$3,000	20%	\$4,000	\$1,250	\$5/40%/60%	20%	0.9140	0.7200	0.9171	0.7432	0.9169	0.7424
44	CDHP	\$3,250	20%	\$4,250	\$1,250	\$5/40%/60%	20%	0.9085	0.7046	0.9122	0.7296	0.9120	0.7287
45	CDHP	\$4,000	20%	\$5,000	\$1,250	\$5/40%/60%	20%	0.8930	0.6629	0.8982	0.6926	0.8980	0.6917
46	CDHP	\$5,000	0%	\$5,000	\$1,250	\$5/40%/60%	0%	0.8886	0.6521	0.8957	0.6863	0.8955	0.6853
47	CDHP	\$5,950	0%	\$5,950	\$1,250	\$5/40%/60%	0%	0.8799	0.6149	0.8902	0.6552	0.8899	0.6541

- Wellness Rx:** if applicable, cost sharing rules apply *before* the deductible is satisfied.
The member's cost share for **Wellness Rx** accumulates toward the Out-of-Pocket Maximum.
- All other drugs** are subject to deductible. Once the deductible is met, drugs are subject to the **Drugs After Deductible** cost share until the Out-of-Pocket Maximum is met.
- The Rx OOPM Limit is as described in Vermont Act 171.

**The Vermont Health Plan
Benefit Plan Relative Value Factors
BlueCare (HMO) and BlueCare Options (POS) Medical Plans**

												PPACA Compliant	
index	Product ¹	In-Network							Out-of-Network ²			Utilization	Relativity
		IP	OP	HOSP	PCP	SCP	ER	AMB	Deductible	Coinsurance	Out-of-Pocket	Active	
1	HMO			\$500	\$20	\$30	\$50	\$50				1.0579	0.9166
2	HMO			\$750	\$20	\$30	\$50	\$50				1.0547	0.9090
3	HMO			\$1,000	\$20	\$30	\$50	\$50				1.0517	0.9018
4	HMO			\$1,000	\$20	\$30	\$250	\$50				1.0469	0.8902
5	HMO			\$3,000	\$20	\$30	\$100	\$50				1.0291	0.8481
6	HMO	\$0	\$0		\$10	\$20	\$100	\$0				1.0695	0.9449
7	HMO	\$0	\$100		\$10	\$20	\$50	\$0				1.0694	0.9446
8	HMO	\$0	\$0		\$10	\$20	\$50	\$0				1.0700	0.9474
9	HMO	\$0	\$0		\$10	\$20	\$250	\$50				1.0658	0.9358
10	HMO	\$250	\$100		\$10	\$20	\$50	\$50				1.0681	0.9415
11	HMO	\$250	\$100		\$15	\$25	\$50	\$0				1.0652	0.9344
12	HMO	\$0	\$0		\$20	\$30	\$50	\$0				1.0647	0.9331
13	HMO	\$0	\$100		\$20	\$30	\$50	\$0				1.0633	0.9298
14	HMO	\$250	\$100		\$20	\$30	\$50	\$0				1.0622	0.9270
15	HMO	\$500	\$200		\$20	\$30	\$50	\$0				1.0597	0.9211
16	HMO	\$500	\$200		\$20	\$30	\$100	\$100				1.0581	0.9173
17	HMO	\$500	\$200		\$20	\$30	\$250	\$50				1.0547	0.9091
18	HMO	\$1,000	\$500		\$20	\$30	\$100	\$100				1.0522	0.9029
19	HMO	\$1,500	\$750		\$20	\$30	\$50	\$50				1.0485	0.8942
20	HMO	\$2,000	\$1,000		\$20	\$30	\$50	\$50				1.0437	0.8828
21	HMO	\$250	\$100		\$25	\$40	\$100	\$50				1.0559	0.9120
22	HMO	\$1,500	\$750		\$20	\$30	\$250	\$50				1.0437	0.8828
23	HMO	\$2,000	\$1,000		\$20	\$30	\$50	\$0				1.0439	0.8831
24	HMO	\$2,000	\$1,000		\$20	\$30	\$250	\$50				1.0389	0.8714
25	POS	\$500	\$200		\$15	\$25	\$50	\$0	\$500	30%	\$3,000	1.0621	0.9344
26	POS	\$0	\$100		\$10	\$20	\$50	\$0	\$500	30%	\$3,000	1.0687	0.9505
27	POS	\$250	\$100		\$20	\$30	\$50	\$0	\$500	30%	\$3,000	1.0615	0.9330
28	POS	\$500	\$200		\$20	\$30	\$50	\$0	\$500	30%	\$3,000	1.0591	0.9270

PCP	Primary Care Physician
SCP	Specialist Physician
IP	Inpatient (max. of 2/yr per family)
OP	Outpatient Surgery
HOSP	Combined Inpatient and Outpatient Deductible
ER	Emergency Room
AMB	Ambulance

1. All HMO and POS Plans have a DME rider benefit of: \$100 deductible, 80% coinsurance, Unlimited out-of-pocket built into the relativity

2. HMO Plans do not have Out-of-Network benefits.

**The Vermont Health Plan
Benefit Plan Relative Value Factors
Prescription Drug Cards**

Exhibit IV

index	Type	Deductible	Copay (\$) / Coinsurance (%)			Diabetic	Lifestyle Exclusion Rider	Mail Order Factor
			Generic	Preferred Brand	Non- Preferred Brand			
1	CMB	\$0	\$3	50%	50%	N	Y	2.5
2	CMB	\$0	\$5	40%	60%	N	N	2.0
3	CMB	\$50	\$10	20%	20%	N	N	2.0
4	CMB	\$100	\$5	40%	60%	N	Y	2.5
5	CMB	\$100	\$5	40%	60%	N	N	2.0
6	COI	\$0	50%	50%	50%	N	Y	2.5
7	COI	\$0	50%	50%	50%	N	N	2.0
8	COI	\$50	50%	50%	50%	N	Y	2.5
9	COP	\$0	\$0	\$15	\$40	Y	N	2.0
10	COP	\$0	\$1	\$1	\$1	Y	N	2.0
11	COP	\$0	\$2	\$2	\$2	Y	N	2.0
12	COP	\$0	\$3	\$3	\$3	N	N	2.0
13	COP	\$0	\$5	\$10	\$25	N	Y	2.5
14	COP	\$0	\$5	\$10	\$10	Y	N	2.0
15	COP	\$0	\$5	\$25	\$50	Y	N	2.0
16	COP	\$0	\$5	\$20	\$35	N	N	2.0
17	COP	\$0	\$5	\$20	\$40	N	N	2.0
18	COP	\$0	\$5	\$20	\$45	N	N	2.0
19	COP	\$0	\$5	\$15	\$35	N	N	2.0
20	COP	\$0	\$5	\$30	\$50	N	N	2.0
21	COP	\$0	\$10	\$15	\$15	Y	N	2.0
22	COP	\$0	\$10	\$20	\$35	Y	N	2.0
23	COP	\$0	\$10	\$20	\$40	Y	N	2.0
24	COP	\$0	\$10	\$25	\$40	Y	N	2.0
25	COP	\$0	\$10	\$30	\$50	Y	N	2.0
26	COP	\$0	\$10	\$15	\$30	N	N	2.0
27	COP	\$0	\$10	\$20	\$40	N	N	2.0
28	COP	\$0	\$10	\$25	\$40	N	N	2.0
29	COP	\$0	\$10	\$25	\$50	N	N	2.0
30	COP	\$0	\$10	\$30	\$50	N	N	2.0
31	COP	\$0	\$10	\$30	\$60	N	N	2.0
32	COP	\$0	\$10	\$35	\$60	N	N	2.0
33	COP	\$0	\$10	\$25	\$60	N	N	2.0
34	COP	\$0	\$15	\$25	\$40	Y	N	2.0
35	COP	\$0	\$15	\$25	\$40	N	N	2.0
36	COP	\$0	\$15	\$30	\$45	N	N	2.0
37	COP	\$0	\$15	\$30	\$50	N	N	2.0
38	COP	\$0	\$15	\$35	\$55	N	N	2.0
39	COP	\$50	\$5	\$10	\$25	N	Y	2.5
40	COP	\$50	\$5	\$10	\$25	N	N	2.0
41	COP	\$50	\$5	\$30	\$50	N	N	2.0
42	COP	\$50	\$10	\$15	\$30	Y	Y	2.5
43	COP	\$50	\$10	\$20	\$35	N	Y	2.5

Unlimited OOPM
Women's Preventive Same as Any Other
Relativity
Active
0.1281
0.1302
0.1554
0.1207
0.1221
0.1017
0.1028
0.0985
0.2073
0.2260
0.2235
0.2206
0.2070
0.2133
0.1886
0.1949
0.1940
0.1932
0.2008
0.1827
0.2022
0.1921
0.1913
0.1856
0.1786
0.1975
0.1891
0.1833
0.1816
0.1760
0.1745
0.1704
0.1800
0.1831
0.1805
0.1744
0.1736
0.1667
0.1992
0.2014
0.1758
0.1903
0.1807

\$1,200 OOPM
Women's Preventive Covered in Full
Relativity
Active
0.1635
0.1656
0.1729
0.1564
0.1581
0.1541
0.1557
0.1507
0.2096
0.2261
0.2238
0.2214
0.2106
0.2158
0.1952
0.2006
0.2001
0.1995
0.2054
0.1901
0.2088
0.2000
0.1994
0.1949
0.1889
0.2050
0.1978
0.1932
0.1922
0.1871
0.1862
0.1827
0.1913
0.1952
0.1933
0.1883
0.1878
0.1824
0.2031
0.2059
0.1835
0.1983
0.1901

\$1,250 OOPM
Women's Preventive Covered in Full
Relativity
Active
0.1630
0.1651
0.1724
0.1554
0.1571
0.1532
0.1548
0.1498
0.2096
0.2261
0.2238
0.2213
0.2105
0.2157
0.1951
0.2005
0.1999
0.1994
0.2053
0.1894
0.2087
0.1998
0.1993
0.1947
0.1887
0.2048
0.1977
0.1930
0.1920
0.1869
0.1860
0.1824
0.1911
0.1949
0.1930
0.1879
0.1875
0.1821
0.2030
0.2058
0.1834
0.1981
0.1898

**The Vermont Health Plan
Benefit Plan Relative Value Factors
Prescription Drug Cards**

Exhibit IV

			Copay (\$) / Coinsurance (%)						Unlimited OOPM	\$1,200 OOPM	\$1,250 OOPM
index	Type	Deductible	Generic	Preferred Brand	Non-Preferred Brand	Diabetic	Lifestyle Exclusion Rider	Mail Order Factor	Women's Preventive Same as Any Other	Women's Preventive Covered in Full	Women's Preventive Covered in Full
									Relativity	Relativity	Relativity
44	COP	\$50	\$10	\$15	\$30	N	Y	2.5	Active	Active	Active
45	COP	\$50	\$10	\$20	\$35	Y	N	2.0	0.1879	0.1964	0.1962
46	COP	\$50	\$10	\$20	\$35	N	N	2.0	0.1854	0.1942	0.1940
47	COP	\$50	\$10	\$20	\$50	N	N	2.0	0.1829	0.1922	0.1919
48	COP	\$50	\$10	\$25	\$35	N	N	2.0	0.1803	0.1907	0.1905
49	COP	\$50	\$10	\$25	\$40	N	N	2.0	0.1779	0.1876	0.1875
50	COP	\$50	\$10	\$30	\$50	N	N	2.0	0.1770	0.1872	0.1870
51	COP	\$50	\$10	\$35	\$70	N	N	2.0	0.1700	0.1808	0.1806
52	COP	\$50	\$10	\$25	\$45	N	N	2.0	0.1626	0.1759	0.1756
53	COP	\$50	\$15	\$25	\$40	N	Y	2.5	0.1762	0.1867	0.1865
54	COP	\$50	\$15	\$25	\$40	N	N	2.0	0.1715	0.1847	0.1844
55	COP	\$100	\$0	\$20	\$40	N	N	2.0	0.1737	0.1868	0.1866
56	COP	\$100	\$5	\$20	\$45	N	Y	2.5	0.1878	0.1903	0.1902
57	COP	\$100	\$5	\$25	\$50	N	Y	2.5	0.1785	0.1853	0.1852
58	COP	\$100	\$5	\$20	\$40	N	Y	2.5	0.1724	0.1801	0.1793
59	COP	\$100	\$5	\$35	\$50	Y	N	2.0	0.1792	0.1858	0.1857
60	COP	\$100	\$5	\$20	\$40	N	N	2.0	0.1720	0.1794	0.1792
61	COP	\$100	\$5	\$20	\$45	N	N	2.0	0.1814	0.1879	0.1878
62	COP	\$100	\$10	\$15	\$30	N	Y	2.5	0.1806	0.1874	0.1872
63	COP	\$100	\$10	\$30	\$50	N	Y	2.5	0.1825	0.1906	0.1904
64	COP	\$100	\$10	\$30	\$45	N	Y	2.5	0.1624	0.1742	0.1739
65	COP	\$100	\$10	\$30	\$45	Y	N	2.0	0.1632	0.1746	0.1744
66	COP	\$100	\$10	\$30	\$50	Y	N	2.0	0.1686	0.1792	0.1790
67	COP	\$100	\$10	\$15	\$30	N	N	2.0	0.1679	0.1788	0.1785
68	COP	\$100	\$10	\$20	\$40	N	N	2.0	0.1847	0.1926	0.1925
69	COP	\$100	\$10	\$25	\$45	N	N	2.0	0.1762	0.1861	0.1859
70	COP	\$100	\$10	\$30	\$45	N	N	2.0	0.1706	0.1814	0.1812
71	COP	\$100	\$10	\$30	\$50	N	N	2.0	0.1653	0.1766	0.1764
72	COP	\$100	\$15	\$40	\$60	N	Y	2.5	0.1646	0.1762	0.1760
73	COP	\$100	\$15	\$30	\$45	N	N	2.0	0.1491	0.1666	0.1662
74	COP	\$100	\$15	\$30	\$50	N	N	2.0	0.1631	0.1776	0.1772
75	COP	\$100	\$20	\$40	\$60	N	N	2.0	0.1623	0.1772	0.1768
76	COP	\$150	\$10	\$20	\$40	N	N	2.0	0.1490	0.1685	0.1681
77	COP	\$150	\$10	\$30	\$50	N	N	2.0	0.1716	0.1818	0.1815
									0.1603	0.1723	0.1720

* **Type:** CMB = combined; COI = coinsurance; COP = copay

* **Diabetic:** If "Y" then Diabetic supplies are covered at 100% of allowed charges; If "N" then Diabetic supplies are subject to cost sharing same as any other prescription drug (SAAO).

* **Lifestyle Exclusion Rider :** If "Y" then the benefit has the Lifestyle Exclusion Rider.

* **Mail Order Factor :** This is the number of copays taken on a 90-day mail order supply.

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP Group Merit Rating Program Filing		
Project Name/Number:	/		

Filing at a Glance

Company:	TVHP
Product Name:	TVHP Group Merit Rating Program Filing
State:	Vermont
TOI:	ML02 - Multi-Line - Other
Sub-TOI:	ML02.0000 - Multi-Line - Other
Filing Type:	Trend / Admin Charge
Date Submitted:	02/08/2013
SERFF Tr Num:	BCVT-128888672
SERFF Status:	Assigned
State Tr Num:	64785
State Status:	Pending Department Review
Co Tr Num:	
Co Status:	
Implementation	On Approval
Date Requested:	
Author(s):	Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
Reviewer(s):	Phil Keller (primary)
Disposition Date:	
Disposition Status:	
Implementation Date:	

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP Group Merit Rating Program Filing
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Large
Group Market Type: Employer Overall Rate Impact:
Filing Status Changed: 02/12/2013 Company Status Changed:
State Status Changed: 02/12/2013 Deemer Date:
Created By: Jude Daye Submitted By: Pam Young
Corresponding Filing Tracking Number:

Filing Description:
February 7, 2013

Phil Keller
Director of Insurance Rates and Forms
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

Subject: The Vermont Health Plan (NAIC # 000095696)
Group Merit Rating Program Filing

Dear Phil,

We are submitting for your review and approval a revised Group Merit Rating Program Filing. With this revision, we are seeking to unify the rating methodologies of TVHP and BCBS. As such, this filing is substantially similar to the approved BCBS Group Merit Rating Program Filing (SERFF # BCVT-128267446), with only minor changes to account for the differences between the two companies. We have adjusted the calculation of projected claims to account for the fact that some TVHP claims are the responsibility of a PHO.

We are including an explanation of how we derive the manual rate from the approved Benefit Relative Value filing and tables of the demographic and industry factors that we will be applying to it. We would also like to note that we will be using the "uncapped" trend factor and the pooling charge factors from our most recent filings (SERFF # BCVT-128694637 and BCVT-128829841, respectively) when approved.

Please do not hesitate to contact me if there is anything we can do to facilitate your review. Thank you for your consideration.

Sincerely,

Kevin Goddard

cc: Tammy Tomczyk / Oliver Wyman Sean Londergan / DFR
Ruth Greene / BCBSVT Vince Mace / BCBSVT
Kimberly Peake / BCBSVT

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP Group Merit Rating Program Filing
Project Name/Number: /

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant
445 Industrial Lane
Montpelier, VT 05601
dayej@bcbsvt.com
802-371-3244 [Phone]

Filing Company Information

TVHP
PO BOX 186
Montpelier, VT 05601
(802) 371-3450 ext. [Phone]
CoCode: 95696
Group Code:
Group Name:
FEIN Number: 03-0354356
State of Domicile: Vermont
Company Type: HMO
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: Yes

Company	Amount	Date Processed	Transaction #
TVHP	\$50.00	02/08/2013	67346556

SERFF Tracking #:	BCVT-128888672	State Tracking #:	64785	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP Group Merit Rating Program Filing				
Project Name/Number:	/				

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	TVHP Group Merit Rating Program Narrative.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Rate Filing Certification.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Health Administrative Forms
Comments:	
Attachment(s):	F106 TVHP Group Merit Rating Program Filing.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Health Filing Data
Bypass Reason:	Our variability data is filed with our outline of coverage filings.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	BCBSVT does not use a Third Party to submit filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Attachments
Comments:	
Attachment(s):	TVHP Filing Attachments.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	BCVT-128888672	State Tracking #:	64785	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP Group Merit Rating Program Filing				
Project Name/Number:	/				

The Vermont Health Plan Group Merit Rating Program

I. Purpose

The Group Merit Rating Program specifies the policies and practices used by The Vermont Health Plan (TVHP) for issuing renewal rates to eligible group businesses.

II. Definitions

- A. **Eligibles** - Employees of the group who can be offered health insurance and work thirty or more hours a week.
- B. **Experience Period** - The duration of time from which group data is accumulated for renewal rating purposes.
- C. **Group** - A collection of subscribers covered by certificates and recognized by the Plan as one entity for rating purposes.
- D. **Merit** - A type of group; one with at least 51 eligibles.
- E. **Rates** - The monthly premiums charged by the Plan for a particular group, time period, type of coverage, and type of membership
- F. **Rating Period** - The duration of time (typically twelve months) for which group renewal rates are calculated and intended to remain constant. Rates would change in conjunction with a benefit change.
- G. **Standard Plan** - A conceptual benefit design that has a BRV equal to 1.00.

III. General Provisions

A. Effective Date

The Group Merit Rating Program described herein will apply beginning with rates communicated 10 business days after the date of its approval, and continuing until 10 business days after the date of approval of the next TVHP Group Merit Rating Program. The term “communicated,” for this purpose, means a written proposal delivered to a large group account.

B. Premium Accounts

The Group Merit Rating Program is applicable to groups that fund health coverage by paying premiums to TVHP. Such premium arrangements may include fully insured, retrospective and contingent funding methods.

The Vermont Health Plan Group Merit Rating Program

C. Lines of Business

Upon implementation, the Group Merit Rating Program will apply to all TVHP comprehensive medical coverages. We may include additional lines of business under this Program as appropriate during the future. Any additional lines of business incorporated within the Program will be administered consistent with the policies and practices herein.

IV. Eligibility for Group Merit Rating Program

A. Recognized Group

This Program applies only to accounts, contracting for coverage with TVHP, that meet the definition of group herein.

B. Group Size

This Program applies to groups that have maintained at least 51 eligibles on 50 percent of its working days during the preceding calendar quarter. Furthermore, we will apply the Group Merit Rating Program to renewal rate calculations for groups for which strong evidence indicates a rating period average of at least 51 eligibles, so long as relevant experience is available.

C. Mergers/Separations

Mergers with other groups or by separation of units within the group itself may affect the eligibility of a group for the Group Merit Rating Program. We determine whether the merger/separation activity dictates recognition of different groups for rating purposes. In general, we require that such activity be supported by bona fide changes in common ownership status or in joint administrative status in order to redefine a group.

V. Data

A. Group Specific

Under the Group Merit Rating Program, experience period claims normally are twelve consecutive incurred months and fourteen consecutive paid months beginning eighteen months prior to the effective date. However, we may choose to alter the length and/or timing of the experience period based on market and/or business needs.

B. Corporate Factors

Several corporate factors contribute to the development of group-specific renewal rates. These factors include: 1) completion factors, 2) Book of Business Standard Plan Expected Single Claim Rate, 3) trend factors, 4)

The Vermont Health Plan Group Merit Rating Program

retention factors such as administrative fees and contribution to reserve, 5) pooling charges and 6) capitated charges. Where applicable, we file these factors with the Vermont Department of Financial Regulation and use the most recently approved factors in the rating.

VI. Rating Mechanism

A. Experience Period Claims PMPM

TVHP experience contains both claims that are TVHP's responsibility (non-MET claims) and claims that are the responsibility of a PHO (MET claims). We first calculate the split between the two, and we call these percents the Non-MET Percent and MET Percent, respectively.

We split experience period claims into amounts above the pooling point (based on the size of the case during the experience period) and amounts below the pooling point. We refer to claims below the pooling point as Capped Claims.

We apply completion factors developed from the monthly financial reporting process to Capped Claims to produce Completed Capped Claims. We add a pooling charge (calculated as a factor¹ times the sum of the Completed Capped Claims) to the Completed Capped Claims to produce large claim adjusted experience period claims. We then multiply these claims by an adjustment factor to reflect structural changes in the benefit plan from the experience period to the rating period. (This is to adjust for such things as mandated benefit changes, contractual provision changes, etc., that, in the judgment of the underwriter, are necessary to make the experience appropriate for the estimation of the expected claims in the rating period.)

We divide the result by the number of member months during the experience period to produce Adjusted Experience Period Claims per member per month (PMPM).

B. Average Experience Period Seasonal Adjusted Benefit Relativity Factor

We determine an Average Experience Period Seasonal Adjusted Benefit Relativity Factor as follows:

¹ Pooling charge factors are from the TVHP Provision for Large Claims Filing for 2013, SERFF # BCVT-128829841.

The Vermont Health Plan Group Merit Rating Program

1. We determine a benefit relativity factor for each benefit plan and contract tier type (single, 2-person, family, etc.).
2. Based on the seasonal patterns observed as part of the reserving process for each calendar month (January, February, ..., December), we determine seasonal factors for CDHPs and for non-CDHPs and normalize them so that they total to 12.
3. For each benefit plan, contract tier type and month, we calculate a seasonal benefit relativity factor. We then apply these factors to the number of contracts for each benefit plan, contract tier type and month in the experience period. We total the results and divide the resultant sum by the number of member months in the experience period. This produces the Average Experience Period Seasonal Adjusted Benefit Relativity Factor.

C. Experience-Based Expected Standard Plan Single Claims Rate

We divide the Adjusted Experience Period Claims PMPM by the Average Experience Period Seasonal Adjusted Benefit Relativity Factor to produce the Experience Period Standard Benefit Single Claims Rate. We then multiply this by a trend factor to adjust from the experience period to the rating period. The result is the Experience-Based Expected Standard Plan Claims Single Claims Rate.

D. Book of Business Standard Plan Expected Single Claims Rate

We derive the standard rate from the approved TVHP Benefit Relativity Factor Filing's base plan PMPM. We trend this PMPM forward to the effective date of the rating with the Benefit Paid Estimated Uncapped Combined trend from the most recently approved TVHP trend filing. We then adjust this trended PMPM for the specifics of the case. We calculate a weighted average age/gender factor for the group based on the current membership.² We also identify the appropriate industry load or credit based on the group's SIC.³ We then multiply the trended standard rate by these two factors to determine the case specific Book of Business Standard Plan Expected Single Claims Rate.

E. Credibility Factor (CF)

The calculation is as follows:

² The age/gender adjustment factors are included as Attachment B.

³ The industry factors are included as Attachment C.

The Vermont Health Plan Group Merit Rating Program

Let $NC = \{\text{average number of non-carveout subscribers in the experience period}\} + \{0.5 * \text{average number of carveout subscribers during the experience period}\}$.

Let $CF = cf_1 * cf_2$ where:

$$cf_1 = \begin{cases} (NC/500)^{0.75} & \text{for } NC < 500 \\ 1 & \text{for } NC \geq 500 \end{cases}$$

$$cf_2 = \min \{(\text{number of months in experience period}/12)^2, 1\}$$

F. Projected Standard Plan Single Claims Rate

We calculate this as (CF) times (Experience-Based Expected Standard Plan Single Claims Rate) plus (1-CF) times (Book of Business Standard Plan Expected Single Claims Rate).

G. Projected Standard Plan MET Capitation Single Rate

Using the actual and projected changes to the contracted MET's, we produce an expected MET capitation for the Standard Plan for the rating period. This is adjusted for the current demographics of the group. We call this the Projected Standard Plan MET Capitation Single Rate.

H. MET Adjusted Projected Standard Plan Single Claims Rate

We calculate this as (Non-MET Percent) times (Projected Standard Plan Single Claims Rate) plus (MET Percent) times (Projected Standard Plan MET Capitation Single Rate).

I. Projected Claims by Plan, Tier Type

For each plan and contract tier type anticipated in the rating period, we calculate projected claims as the (MET Adjusted Projected Standard Plan Single Claims Rate) times (the BRV for the plan and contract tier).

J. Required premium by Plan, Tier Type

The average number of members per contract tier during the experience period is the basis for the projected members per tier in the rating period. The underwriter will adjust this if, in their opinion, the result is not

The Vermont Health Plan Group Merit Rating Program

representative of the expected values in the rating period.⁴ The calculation for the total required premium by (plan, tier) is as follows:

1. Projected Claims by (plan, tier), plus
2. {(Projected PMPM capitation for the plan) + (Expected net reinsurance PMPM for the plan) - (Projected Rx rebate for the plan)} times (the expected number of members per contract in the tier), plus
3. (PMPM administration charge factors⁵) times (the expected number of members per contract in the tier), times
4. $1 / (1 - \text{contribution to reserve factor} - \text{percent of premium administration charge factors}^6)$.

K. Underwriting Judgment Adjustments

If, in the underwriter's professional judgment, the specific properties of the case being rated are such that the standard formula would not produce appropriate rates for the rating period, the underwriter will make such modifications as needed to produce appropriate rates. The underwriter will document in the case file the reason(s) for the adjustment(s) and the method of determining the appropriate adjustment(s).

L. Management Discretionary Adjustments

For marketing or other reasons, management may decide to modify the rates on a specific case or block of cases. The underwriter will document in the case file the adjustment(s) made, along with a description of the nature of the adjustment(s).

VII. Attachments

A. Sample Calculation

Attachment A illustrates the calculation of the renewal rate changes in a manner consistent with the mechanism described in Section VI herein.

⁴ E.g., the number of contracts in a particular tier may be small (or even 0). In such instances, the underwriter should use appropriate values based on total block of business or other appropriate source.

⁵ These factors include the filed administrative charge plus any charges for broker commissions or additional administrative services that may be applicable.

⁶ Where applicable. This factor may include broker commissions and/or charges for additional administrative services that were not already included in the previous step.

The Vermont Health Plan Group Merit Rating Program

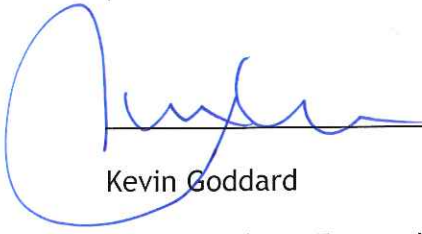
B. Age/Gender Adjustments

Attachment B contains a table of age/gender adjustment factors, normalized for our book of business, that we will apply to Book of Business Standard Plan Expected Single Claims Rate, as described herein.

C. Industry Adjustments

Attachment C contains a table of industry adjustment factors by SIC, normalized for our book of business, that we will apply to Book of Business Standard Plan Expected Single Claims Rate, as described herein.

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.



Kevin Goddard

Vice President, External Affairs

2/7/13

Date

Health Filing Form F106 (7/98)
Required Information for All Filings & the Fee

NAIC#: 95696
Company Name: The Vermont Health Plan
Address: PO Box 186
City, State, Zip: Montpelier, VT 05601
Phone: 371-3450 Contact Person: Alison Partridge

Filing Contents: TVHP Group Merit Rating Program Filing

- 1) New: ☒ Change: ☐
If a Change: Latest Approval Date: _____ Vermont Filing #: _____
2) Rates: ☒ Forms: ☐ Rates & Forms: ☐
3) Policy: ☐ Contract: ☐ Amendment: ☐ Endorsement: ☐
Handbook: ☐ Rider: ☐ Certificate: ☐ Other: Outline
4) Individual: ☐ Small Group (1-50): ☐ Large Group (51+): ☒ All Groups: ☐

Type of Filing:

Accident Only: <input type="checkbox"/>	Dental: <input type="checkbox"/>	Miscellaneous: <input type="checkbox"/>
AD&D: <input type="checkbox"/>	Disability: <input type="checkbox"/>	Nursing Home Only: <input type="checkbox"/>
Advertising: <input type="checkbox"/>	Home Health Only: <input type="checkbox"/>	Organ Transplant: <input type="checkbox"/>
Blanket: <input type="checkbox"/>	Hospital Indemnity: <input type="checkbox"/>	Prescription Drug: <input type="checkbox"/>
Cancer Expense: <input type="checkbox"/>	Limited Benefit: <input type="checkbox"/>	Student/Athlete: <input type="checkbox"/>
Comprehensive/ Major Medical: <input type="checkbox"/>	Long Term Care: <input type="checkbox"/>	Stop Loss/Excess Risk: <input type="checkbox"/>
	Qualified: <input type="checkbox"/>	Travel: <input type="checkbox"/>
Conversion: <input type="checkbox"/>	Non-Qualified: <input type="checkbox"/>	Vision: <input type="checkbox"/>
Critical Illness: <input type="checkbox"/>	Medicare Supplement: <input type="checkbox"/>	Other: <u>Health</u>

Mandatory - Filing Fee Information:

1. State of Domicile: Vermont
2. Amount of Fee: \$50.00
3. Is the Fee you are sending based on your state of domicile's retaliatory fee? Yes ☐ No ☒
4. Explain how each part of the Fee was determined, showing all calculation (use separate sheet if necessary). Vermont filing fee

5. Fee calculated by: Jude Daye
(Printed Name)

(Signature)



The Vermont Health Plan
Group Merit Rating Mechanism
Calculation Example

Attachment A

Projected Standard Plans Single Claims Rate:

Experience Period Paid Claims	\$1,000,000	a
Experience Period Claims amount above \$60,000 pooling limit	\$150,000	b
Capped Claims	\$850,000	c =a-b
Completion Factor	1.011	d
Completed Capped Claims	\$859,350	e =c*d
Pooling Charge Factor	0.166	f
Pooling Charge	\$142,652	g =e*f
Experience adjustment factor	1.000	h
Adjusted Experience Period Claims	\$1,002,002	i =(e+g)*h
Experience Period Member Months	5,000	j
Adjusted Experience Period Claims PMPM	\$200.40	k =i/j
Average Experience Period Seasonal Adjusted Benefit Relativity Factor	0.809	l
Experience Period Standard Benefit Single Claims Rate	\$247.71	m =k/l
Trend 7.8% per annum for 18 months	1.119	n
Experience-Based Expected Standard Plan Single Claims Rate	\$277.25	o =m*n
Book of Business Standard Plan Expected Single Claims Rate	\$506.33	p
Credibility factor	55%	q
Projected Standard Plan Single Claims Rate	\$380.34	r =(o*q)+(p*(1-q))
Non-MET Percent	78%	s
Projected Standard Plan MET Capitation Single Rate	\$390.00	t
MET Percent	22%	u =1-s
MET Adjusted Projected Standard Plan Single Claims Rate	\$382.46	v =r*s+u*v

Needed Premium Rates (PMPM):

	<u>PMPM</u>	<u>Single</u>	<u>2-Person</u>	<u>Family</u>	
Members per contract		1	2	3.938	
BRV:	<i>Plan A</i>	0.9293	1.5705	2.2861	A1
	<i>Plan B</i>	1.0117	2.0234	2.7316	B1
Projected Claims:	<i>Plan A</i>	\$355.42	\$600.67	\$874.34	A2 =A1*v
	<i>Plan B</i>	\$386.94	\$773.88	\$1,044.73	B2 =B1*v
Projected Capitation:	<i>Plan A</i>	\$8.79	\$9.59	\$19.17	A3
	<i>Plan B</i>	\$9.16	\$10.19	\$20.37	B3
Net Cost of Reinsurance:	<i>Plan A</i>	\$6.71	\$6.82	\$13.65	A4
	<i>Plan B</i>	\$6.71	\$6.82	\$13.65	B4
Projected Rx Rebate:	<i>Plan A</i>	\$1.53	\$1.53	\$3.06	A5
	<i>Plan B</i>	\$4.67	\$4.67	\$9.34	B5
Administrative Charge		\$45.00	\$53.17	\$106.34	C
Commission (% premium)		4.00%			D
Contribution to Reserve		2.00%			E
Required Premium:	<i>Plan A</i>	\$450.50	\$783.79	\$1,208.83	F1 =(A2+A3+A4-A5+C)/(1-D-E)
	<i>Plan B</i>	\$481.33	\$962.66	\$1,366.30	F2 =(B2+B3+B4-B5+C)/(1-D-E)

	Employee Age	Age/Gender Factor
Male (Employees & Spouses)	To 25	0.344
	25 - 29	0.389
	30 - 34	0.459
	35 - 39	0.560
	40 - 44	0.694
	45 - 49	0.899
	50 - 54	1.192
	55 - 59	1.575
	60 - 64	2.029
	65+	2.753
Female (Employees & Spouses)	To 25	0.710
	25 - 29	0.890
	30 - 34	0.984
	35 - 39	0.955
	40 - 44	0.974
	45 - 49	1.103
	50 - 54	1.324
	55 - 59	1.564
	60 - 64	1.877
	65+	2.476
Child	Child Age	
	0 - 1	1.250
	2 - 6	0.280
	7 - 18	0.312

4 Digit SIC Code	Industry Description	Normalized Factor
912	Finfish	1.162
913	Shellfish	1.162
919	Miscellaneous Marine Products	1.162
921	Fish Hatcheries and Preserves	1.162
971	Hunting and Trapping, and Game Propagation	1.162
1011	Iron Ores	1.201
1012	Iron Ores	1.211
1013	Iron Ores	1.211
1014	Iron Ores	1.211
1015	Iron Ores	1.211
1016	Iron Ores	1.211
1017	Iron Ores	1.211
1018	Iron Ores	1.211
1019	Iron Ores	1.211
1020	Iron Ores	1.211
1021	Copper Ores	1.201
1022	Copper Ores	1.211
1023	Copper Ores	1.211
1024	Copper Ores	1.211
1025	Copper Ores	1.211
1026	Copper Ores	1.211
1027	Copper Ores	1.211
1028	Copper Ores	1.211
1029	Copper Ores	1.211
1030	Copper Ores	1.211
1031	Lead and Zinc Ores	1.201
1032	Lead and Zinc Ores	1.211
1033	Lead and Zinc Ores	1.211
1034	Lead and Zinc Ores	1.211
1035	Lead and Zinc Ores	1.211
1036	Lead and Zinc Ores	1.211
1037	Lead and Zinc Ores	1.211
1038	Lead and Zinc Ores	1.211
1039	Lead and Zinc Ores	1.211
1040	Lead and Zinc Ores	1.211
1041	Gold Ores	1.201
1042	Gold Ores	1.211
1043	Gold Ores	1.211
1044	Silver Ores	1.201
1045	Silver Ores	1.211
1046	Silver Ores	1.211
1047	Silver Ores	1.211
1048	Silver Ores	1.211
1049	Silver Ores	1.211
1050	Silver Ores	1.211
1051	Silver Ores	1.211
1052	Silver Ores	1.211
1053	Silver Ores	1.211
1054	Silver Ores	1.211
1055	Silver Ores	1.211
1056	Silver Ores	1.211
1057	Silver Ores	1.211
1058	Silver Ores	1.211
1059	Silver Ores	1.211
1060	Silver Ores	1.211
1061	Ferroalloy Ores, Except Vanadium	1.201
1062	Ferroalloy Ores, Except Vanadium	1.211
1063	Ferroalloy Ores, Except Vanadium	1.211
1064	Ferroalloy Ores, Except Vanadium	1.211
1065	Ferroalloy Ores, Except Vanadium	1.211
1066	Ferroalloy Ores, Except Vanadium	1.211

1067 Ferroalloy Ores, Except Vanadium	1.211
1068 Ferroalloy Ores, Except Vanadium	1.211
1069 Ferroalloy Ores, Except Vanadium	1.211
1070 Ferroalloy Ores, Except Vanadium	1.211
1071 Ferroalloy Ores, Except Vanadium	1.211
1072 Ferroalloy Ores, Except Vanadium	1.211
1073 Ferroalloy Ores, Except Vanadium	1.211
1074 Ferroalloy Ores, Except Vanadium	1.211
1075 Ferroalloy Ores, Except Vanadium	1.211
1076 Ferroalloy Ores, Except Vanadium	1.211
1077 Ferroalloy Ores, Except Vanadium	1.211
1078 Ferroalloy Ores, Except Vanadium	1.211
1079 Ferroalloy Ores, Except Vanadium	1.211
1080 Ferroalloy Ores, Except Vanadium	1.211
1081 Metal Mining Services	1.201
1082 Metal Mining Services	1.211
1083 Metal Mining Services	1.211
1084 Metal Mining Services	1.211
1085 Metal Mining Services	1.211
1086 Metal Mining Services	1.211
1087 Metal Mining Services	1.211
1088 Metal Mining Services	1.211
1089 Metal Mining Services	1.211
1090 Metal Mining Services	1.211
1091 Metal Mining Services	1.211
1092 Metal Mining Services	1.211
1093 Metal Mining Services	1.211
1094 Uranium-Radium-Vanadium Ores	1.201
1095 Uranium-Radium-Vanadium Ores	1.211
1096 Uranium-Radium-Vanadium Ores	1.211
1097 Uranium-Radium-Vanadium Ores	1.211
1098 Uranium-Radium-Vanadium Ores	1.211
1099 Miscellaneous Metal Ores, NEC	1.201
1100 Miscellaneous Metal Ores, NEC	1.211
1101 Miscellaneous Metal Ores, NEC	1.211
1102 Miscellaneous Metal Ores, NEC	1.211
1103 Miscellaneous Metal Ores, NEC	1.211
1104 Miscellaneous Metal Ores, NEC	1.211
1105 Miscellaneous Metal Ores, NEC	1.211
1106 Miscellaneous Metal Ores, NEC	1.211
1107 Miscellaneous Metal Ores, NEC	1.211
1108 Miscellaneous Metal Ores, NEC	1.211
1109 Miscellaneous Metal Ores, NEC	1.211
1110 Miscellaneous Metal Ores, NEC	1.211
1111 Miscellaneous Metal Ores, NEC	1.211
1112 Miscellaneous Metal Ores, NEC	1.211
1113 Miscellaneous Metal Ores, NEC	1.211
1114 Miscellaneous Metal Ores, NEC	1.211
1115 Miscellaneous Metal Ores, NEC	1.211
1116 Miscellaneous Metal Ores, NEC	1.211
1117 Miscellaneous Metal Ores, NEC	1.211
1118 Miscellaneous Metal Ores, NEC	1.211
1119 Miscellaneous Metal Ores, NEC	1.211
1120 Miscellaneous Metal Ores, NEC	1.211
1121 Miscellaneous Metal Ores, NEC	1.211
1122 Miscellaneous Metal Ores, NEC	1.211
1123 Miscellaneous Metal Ores, NEC	1.211
1124 Miscellaneous Metal Ores, NEC	1.211
1125 Miscellaneous Metal Ores, NEC	1.211
1126 Miscellaneous Metal Ores, NEC	1.211
1127 Miscellaneous Metal Ores, NEC	1.211
1128 Miscellaneous Metal Ores, NEC	1.211
1129 Miscellaneous Metal Ores, NEC	1.211
1130 Miscellaneous Metal Ores, NEC	1.211

[illegible]

1195 Miscellaneous Metal Ores, NEC	1.211
1196 Miscellaneous Metal Ores, NEC	1.211
1197 Miscellaneous Metal Ores, NEC	1.211
1198 Miscellaneous Metal Ores, NEC	1.211
1199 Miscellaneous Metal Ores, NEC	1.211
1200 Miscellaneous Metal Ores, NEC	1.211
1201 Miscellaneous Metal Ores, NEC	1.211
1202 Miscellaneous Metal Ores, NEC	1.211
1203 Miscellaneous Metal Ores, NEC	1.211
1204 Miscellaneous Metal Ores, NEC	1.211
1205 Miscellaneous Metal Ores, NEC	1.211
1206 Miscellaneous Metal Ores, NEC	1.211
1207 Miscellaneous Metal Ores, NEC	1.211
1208 Miscellaneous Metal Ores, NEC	1.211
1209 Miscellaneous Metal Ores, NEC	1.211
1210 Miscellaneous Metal Ores, NEC	1.211
1211 Miscellaneous Metal Ores, NEC	1.211
1212 Miscellaneous Metal Ores, NEC	1.211
1213 Miscellaneous Metal Ores, NEC	1.211
1214 Miscellaneous Metal Ores, NEC	1.211
1215 Miscellaneous Metal Ores, NEC	1.211
1216 Miscellaneous Metal Ores, NEC	1.211
1217 Miscellaneous Metal Ores, NEC	1.211
1218 Miscellaneous Metal Ores, NEC	1.211
1219 Miscellaneous Metal Ores, NEC	1.211
1220 Miscellaneous Metal Ores, NEC	1.211
1221 Bituminous Coal and Lignite Surface Mining	1.181
1222 Bituminous Coal Underground Mining	1.181
1223 Bituminous Coal Underground Mining	1.181
1224 Bituminous Coal Underground Mining	1.181
1225 Bituminous Coal Underground Mining	1.181
1226 Bituminous Coal Underground Mining	1.181
1227 Bituminous Coal Underground Mining	1.181
1228 Bituminous Coal Underground Mining	1.181
1229 Bituminous Coal Underground Mining	1.181
1230 Bituminous Coal Underground Mining	1.181
1231 Anthracite Mining	1.181
1232 Anthracite Mining	1.181
1233 Anthracite Mining	1.181
1234 Anthracite Mining	1.181
1235 Anthracite Mining	1.181
1236 Anthracite Mining	1.181
1237 Anthracite Mining	1.181
1238 Anthracite Mining	1.181
1239 Anthracite Mining	1.181
1240 Anthracite Mining	1.181
1241 Coal Mining Services	1.181
1411 Dimension Stone	1.162
1412 Dimension Stone	1.143
1413 Dimension Stone	1.143
1414 Dimension Stone	1.143
1415 Dimension Stone	1.143
1416 Dimension Stone	1.143
1417 Dimension Stone	1.143
1418 Dimension Stone	1.143
1419 Dimension Stone	1.143
1420 Dimension Stone	1.143
1421 Dimension Stone	1.143
1422 Crushed and Broken Limestone	1.162
1423 Crushed and Broken Granite	1.162
1424 Crushed and Broken Granite	1.143
1425 Crushed and Broken Granite	1.143
1426 Crushed and Broken Granite	1.143
1427 Crushed and Broken Granite	1.143

1428 Crushed and Broken Granite	1.143
1429 Crushed and Broken Stone, NEC	1.162
1430 Crushed and Broken Stone, NEC	1.143
1431 Crushed and Broken Stone, NEC	1.143
1432 Crushed and Broken Stone, NEC	1.143
1433 Crushed and Broken Stone, NEC	1.143
1434 Crushed and Broken Stone, NEC	1.143
1435 Crushed and Broken Stone, NEC	1.143
1436 Crushed and Broken Stone, NEC	1.143
1437 Crushed and Broken Stone, NEC	1.143
1438 Crushed and Broken Stone, NEC	1.143
1439 Crushed and Broken Stone, NEC	1.143
1440 Crushed and Broken Stone, NEC	1.143
1441 Crushed and Broken Stone, NEC	1.143
1442 Construction Sand and Gravel	1.162
1443 Construction Sand and Gravel	1.143
1444 Construction Sand and Gravel	1.143
1445 Construction Sand and Gravel	1.143
1446 Industrial Sand	1.162
1447 Industrial Sand	1.143
1448 Industrial Sand	1.143
1449 Industrial Sand	1.143
1450 Industrial Sand	1.143
1451 Industrial Sand	1.143
1452 Industrial Sand	1.143
1453 Industrial Sand	1.143
1454 Industrial Sand	1.143
1455 Kaolin and Ball Clay	1.162
1456 Kaolin and Ball Clay	1.143
1457 Kaolin and Ball Clay	1.143
1458 Kaolin and Ball Clay	1.143
1459 Clay, Ceramic, and Refractory Minerals, NEC	1.162
1460 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1461 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1462 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1463 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1464 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1465 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1466 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1467 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1468 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1469 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1470 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1471 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1472 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1473 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1474 Potash, Soda, and Borate Minerals	1.162
1475 Phosphate Rock	1.162
1476 Phosphate Rock	1.143
1477 Phosphate Rock	1.143
1478 Phosphate Rock	1.143
1479 Chemical and Fertilizer Mineral Mining, NEC	1.162
1480 Chemical and Fertilizer Mineral Mining, NEC	1.143
1481 Nonmetallic Minerals Services Except Fuels	1.162
1482 Nonmetallic Minerals Services Except Fuels	1.143
1483 Nonmetallic Minerals Services Except Fuels	1.143
1484 Nonmetallic Minerals Services Except Fuels	1.143
1485 Nonmetallic Minerals Services Except Fuels	1.143
1486 Nonmetallic Minerals Services Except Fuels	1.143
1487 Nonmetallic Minerals Services Except Fuels	1.143
1488 Nonmetallic Minerals Services Except Fuels	1.143
1489 Nonmetallic Minerals Services Except Fuels	1.143
1490 Nonmetallic Minerals Services Except Fuels	1.143
1491 Nonmetallic Minerals Services Except Fuels	1.143

1492 Nonmetallic Minerals Services Except Fuels	1.143
1493 Nonmetallic Minerals Services Except Fuels	1.143
1494 Nonmetallic Minerals Services Except Fuels	1.143
1495 Nonmetallic Minerals Services Except Fuels	1.143
1496 Nonmetallic Minerals Services Except Fuels	1.143
1497 Nonmetallic Minerals Services Except Fuels	1.143
1498 Nonmetallic Minerals Services Except Fuels	1.143
1499 Miscellaneous Nonmetallic Minerals, Except Fuels	1.162
2331 Women's, Misses', and Juniors' Blouses and Shirts	0.897
2892 Explosives	1.132
3111 Leather Tanning and Finishing	1.132
3292 Asbestos Products	1.162
3612 Power, Distribution, and Specialty Transformers	0.916
3613 Switchgear and Switchboard Apparatus	0.916
3621 Motors and Generators	0.916
3622 Motors and Generators	0.916
3623 Motors and Generators	0.916
3624 Carbon and Graphite Products	0.916
3625 Relays and Industrial Controls	0.916
3626 Relays and Industrial Controls	0.916
3627 Relays and Industrial Controls	0.916
3628 Relays and Industrial Controls	0.916
3629 Electrical Industrial Apparatus, NEC	0.916
3630 Electrical Industrial Apparatus, NEC	0.916
3631 Household Cooking Equipment	0.916
3632 Household Refrigerators and Home and Farm Freezers	0.916
3633 Household Laundry Equipment	0.916
3634 Electric Housewares and Fans	0.916
3635 Household Vacuum Cleaners	0.916
3636 Household Vacuum Cleaners	0.916
3637 Household Vacuum Cleaners	0.916
3638 Household Vacuum Cleaners	0.916
3639 Household Appliances, NEC	0.916
3640 Household Appliances, NEC	0.916
3641 Electric Lamp Bulbs and Tubes	0.916
3642 Electric Lamp Bulbs and Tubes	0.916
3643 Current-Carrying Wiring Devices	0.916
3644 Noncurrent-Carrying Wiring Devices	0.916
3645 Residential Electric Lighting Fixtures	0.916
3646 Commercial, Industrial, and Institutional Electric Lighting Fixtures	0.916
3647 Vehicular Lighting Equipment	0.916
3648 Lighting Equipment, NEC	0.916
3651 Household Audio and Video Equipment	0.916
3652 Phonograph Records and Prerecorded Audio Tapes and Disks	0.916
3822 Automatic Controls for Regulating Residential and Commercial Environments and Appliances	0.906
3823 Industrial Instruments for Measurement, Display, and Control of Process Variables; and Related Products	0.897
3841 Physicians & Surgeons Equipment & Supplies Manufacturers	0.906
3842 Orthopedic, Prosthetic, and Surgical Appliances and Supplies	0.906
3843 Dental Equipment and Supplies	0.906
3844 X-Ray Apparatus and Tubes and Related Irradiation Apparatus	0.906
3845 Electromedical and Electrotherapeutic Apparatus	0.906
3851 Ophthalmic Goods	0.906
3861 Photographic Equipment and Supplies	0.906
3873 Watches, Clocks, Clockwork Operated Devices and Parts	0.906
4111 Local and Suburban Transit	1.113
4112 Local and Suburban Transit	1.103
4113 Local and Suburban Transit	1.103
4114 Local and Suburban Transit	1.103
4115 Local and Suburban Transit	1.103
4116 Local and Suburban Transit	1.103
4117 Local and Suburban Transit	1.103
4118 Local and Suburban Transit	1.103
4119 Local Passenger Transportation, NEC	1.113
4121 Taxicabs	1.132

4131 Intercity and Rural Bus Transportation	1.113
4141 Local Bus Charter Service	1.103
4142 Bus Charter Service, Except Local	1.113
4151 School Buses	1.113
4231 Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation	1.123
5812 Eating and Drinking Places	1.132
5813 Drinking Places (Alcoholic Beverages)	1.132
5921 Liquor Stores	1.172
5963 Direct Selling Establishments	1.123
6011 Federal Reserve Banks	0.897
6012 Federal Reserve Banks	0.897
6013 Federal Reserve Banks	0.897
6014 Federal Reserve Banks	0.897
6015 Federal Reserve Banks	0.897
6016 Federal Reserve Banks	0.897
6017 Federal Reserve Banks	0.897
6018 Federal Reserve Banks	0.897
6019 Central Reserve Depository Institutions, NEC	0.897
6020 Central Reserve Depository Institutions, NEC	0.897
6021 National Commercial Banks	0.897
6022 State Commercial Banks	0.897
6023 State Commercial Banks	0.897
6024 State Commercial Banks	0.897
6025 State Commercial Banks	0.897
6026 State Commercial Banks	0.897
6027 State Commercial Banks	0.897
6028 State Commercial Banks	0.897
6029 Commercial Banks, NEC	0.897
6030 Commercial Banks, NEC	0.897
6031 Commercial Banks, NEC	0.897
6032 Commercial Banks, NEC	0.897
6033 Commercial Banks, NEC	0.897
6034 Commercial Banks, NEC	0.897
6035 Savings Institutions, Federally Chartered	0.897
6036 Savings institutions, Not Federally Chartered	0.897
6037 Savings institutions, Not Federally Chartered	0.897
6038 Savings institutions, Not Federally Chartered	0.897
6039 Savings institutions, Not Federally Chartered	0.897
6040 Savings institutions, Not Federally Chartered	0.897
6041 Savings institutions, Not Federally Chartered	0.897
6042 Savings institutions, Not Federally Chartered	0.897
6043 Savings institutions, Not Federally Chartered	0.897
6044 Savings institutions, Not Federally Chartered	0.897
6045 Savings institutions, Not Federally Chartered	0.897
6046 Savings institutions, Not Federally Chartered	0.897
6047 Savings institutions, Not Federally Chartered	0.897
6048 Savings institutions, Not Federally Chartered	0.897
6049 Savings institutions, Not Federally Chartered	0.897
6050 Savings institutions, Not Federally Chartered	0.897
6051 Savings institutions, Not Federally Chartered	0.897
6052 Savings institutions, Not Federally Chartered	0.897
6053 Savings institutions, Not Federally Chartered	0.897
6054 Savings institutions, Not Federally Chartered	0.897
6055 Savings institutions, Not Federally Chartered	0.897
6056 Savings institutions, Not Federally Chartered	0.897
6057 Savings institutions, Not Federally Chartered	0.897
6058 Savings institutions, Not Federally Chartered	0.897
6059 Savings institutions, Not Federally Chartered	0.897
6060 Savings institutions, Not Federally Chartered	0.897
6061 Credit Unions, Federally Chartered	0.897
6062 Credit Unions, Not Federally Chartered	0.897
6063 Credit Unions, Not Federally Chartered	0.897
6064 Credit Unions, Not Federally Chartered	0.897
6065 Credit Unions, Not Federally Chartered	0.897

6066 Credit Unions, Not Federally Chartered	0.897
6067 Credit Unions, Not Federally Chartered	0.897
6068 Credit Unions, Not Federally Chartered	0.897
6069 Credit Unions, Not Federally Chartered	0.897
6070 Credit Unions, Not Federally Chartered	0.897
6071 Credit Unions, Not Federally Chartered	0.897
6072 Credit Unions, Not Federally Chartered	0.897
6073 Credit Unions, Not Federally Chartered	0.897
6074 Credit Unions, Not Federally Chartered	0.897
6075 Credit Unions, Not Federally Chartered	0.897
6076 Credit Unions, Not Federally Chartered	0.897
6077 Credit Unions, Not Federally Chartered	0.897
6078 Credit Unions, Not Federally Chartered	0.897
6079 Credit Unions, Not Federally Chartered	0.897
6080 Credit Unions, Not Federally Chartered	0.897
6081 Branches and Agencies of Foreign Banks	0.897
6082 Foreign Trade and International Banking Institutions	0.897
6083 Foreign Trade and International Banking Institutions	0.897
6084 Foreign Trade and International Banking Institutions	0.897
6085 Foreign Trade and International Banking Institutions	0.897
6086 Foreign Trade and International Banking Institutions	0.897
6087 Foreign Trade and International Banking Institutions	0.897
6088 Foreign Trade and International Banking Institutions	0.897
6089 Foreign Trade and International Banking Institutions	0.897
6090 Foreign Trade and International Banking Institutions	0.897
6091 Nondeposit Trust Facilities	0.897
6092 Nondeposit Trust Facilities	0.897
6093 Nondeposit Trust Facilities	0.897
6094 Nondeposit Trust Facilities	0.897
6095 Nondeposit Trust Facilities	0.897
6096 Nondeposit Trust Facilities	0.897
6097 Nondeposit Trust Facilities	0.897
6098 Nondeposit Trust Facilities	0.897
6099 Functions Related to Deposit Banking, NEC	0.897
6100 Functions Related to Deposit Banking, NEC	0.906
6101 Functions Related to Deposit Banking, NEC	0.906
6102 Functions Related to Deposit Banking, NEC	0.906
6103 Functions Related to Deposit Banking, NEC	0.906
6104 Functions Related to Deposit Banking, NEC	0.906
6105 Functions Related to Deposit Banking, NEC	0.906
6106 Functions Related to Deposit Banking, NEC	0.906
6107 Functions Related to Deposit Banking, NEC	0.906
6108 Functions Related to Deposit Banking, NEC	0.906
6109 Functions Related to Deposit Banking, NEC	0.906
6110 Functions Related to Deposit Banking, NEC	0.906
6111 Federal and Federally-Sponsored Credit Agencies	0.906
6112 Federal and Federally-Sponsored Credit Agencies	0.906
6113 Federal and Federally-Sponsored Credit Agencies	0.906
6114 Federal and Federally-Sponsored Credit Agencies	0.906
6115 Federal and Federally-Sponsored Credit Agencies	0.906
6116 Federal and Federally-Sponsored Credit Agencies	0.906
6117 Federal and Federally-Sponsored Credit Agencies	0.906
6118 Federal and Federally-Sponsored Credit Agencies	0.906
6119 Federal and Federally-Sponsored Credit Agencies	0.906
6120 Federal and Federally-Sponsored Credit Agencies	0.906
6121 Federal and Federally-Sponsored Credit Agencies	0.906
6122 Federal and Federally-Sponsored Credit Agencies	0.906
6123 Federal and Federally-Sponsored Credit Agencies	0.906
6124 Federal and Federally-Sponsored Credit Agencies	0.906
6125 Federal and Federally-Sponsored Credit Agencies	0.906
6126 Federal and Federally-Sponsored Credit Agencies	0.906
6127 Federal and Federally-Sponsored Credit Agencies	0.906
6128 Federal and Federally-Sponsored Credit Agencies	0.906
6129 Federal and Federally-Sponsored Credit Agencies	0.906

6130 Federal and Federally-Sponsored Credit Agencies	0.906
6131 Federal and Federally-Sponsored Credit Agencies	0.906
6132 Federal and Federally-Sponsored Credit Agencies	0.906
6133 Federal and Federally-Sponsored Credit Agencies	0.906
6134 Federal and Federally-Sponsored Credit Agencies	0.906
6135 Federal and Federally-Sponsored Credit Agencies	0.906
6136 Federal and Federally-Sponsored Credit Agencies	0.906
6137 Federal and Federally-Sponsored Credit Agencies	0.906
6138 Federal and Federally-Sponsored Credit Agencies	0.906
6139 Federal and Federally-Sponsored Credit Agencies	0.906
6140 Federal and Federally-Sponsored Credit Agencies	0.906
6141 Personal Credit Institutions	0.906
6142 Personal Credit Institutions	0.906
6143 Personal Credit Institutions	0.906
6144 Personal Credit Institutions	0.906
6145 Personal Credit Institutions	0.906
6146 Personal Credit Institutions	0.906
6147 Personal Credit Institutions	0.906
6148 Personal Credit Institutions	0.906
6149 Personal Credit Institutions	0.906
6150 Personal Credit Institutions	0.906
6151 Personal Credit Institutions	0.906
6152 Personal Credit Institutions	0.906
6153 Short-Term Business Credit Institutions, Except Agricultural	0.897
6154 Short-Term Business Credit Institutions, Except Agricultural	0.906
6155 Short-Term Business Credit Institutions, Except Agricultural	0.906
6156 Short-Term Business Credit Institutions, Except Agricultural	0.906
6157 Short-Term Business Credit Institutions, Except Agricultural	0.906
6158 Short-Term Business Credit Institutions, Except Agricultural	0.906
6159 Miscellaneous Business Credit Institutions	0.906
6160 Miscellaneous Business Credit Institutions	0.906
6161 Miscellaneous Business Credit Institutions	0.906
6162 Mortgage Bankers and Loan Correspondents	0.906
6163 Loan Brokers	0.906
7911 Dance Studios, Schools, and Halls	1.172
8051 Skilled Nursing Care Facilities	1.162
8059 Nursing and Personal Care Facilities, Not Elsewhere Classified	1.162
8062 General Medical and Surgical Hospitals	1.162
8063 Psychiatric Hospitals	1.162
8064 Psychiatric Hospitals	1.162
8065 Psychiatric Hospitals	1.162
8066 Psychiatric Hospitals	1.162
8067 Psychiatric Hospitals	1.162
8068 Psychiatric Hospitals	1.162
8082 Home Health Care Services	1.162
8092 Kidney Dialysis Centers	1.162
8093 Specialty Outpatient Facilities, Not Elsewhere Classified	1.162
8069 Specialty Hospitals, Except Psychiatric	1.162
8322 Individual and Family Social Services	1.123
Municipalities	1.123
9221 Police Protection	1.123
9223 Correctional Institutions	1.123
9224 Fire Protection	1.123
9711 National Security	1.103
Var. All Other	0.985

SERFF Tracking #:	BCVT-129370736	State Tracking #:	Company Tracking #:
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2Q 2014 TVHP Benefit Relativity Factor Filing		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	TVHP Q2 2014 BRV Filing - Actuarial Memorandum.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	Not required.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Filing Compliance Certification.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	BCBSVT does not use a Third Party to submit filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Plain Language Summary and Exhibits
Comments:	
Attachment(s):	TVHP Q2 2014 BRV Filing - Plain Language Summary.pdf TVHP Q2 2014 BRV Filing - Exhibits.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Letter - Response to TVHP LG Benefit Relativity Factors Actuarial Review Interrogatories
Comments:	
Attachment(s):	Response to TVHP LG Benefit Relativity Factors Actuarial Review Interrogatories- 01.15.2014.pdf
Item Status:	

SERFF Tracking #:	BCVT-129370736	State Tracking #:	Company Tracking #:
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2Q 2014 TVHP Benefit Relativity Factor Filing		
Project Name/Number:	/		

Status Date:	
Satisfied - Item:	BCVT-128888672 - TVHP Group Merit Rating Program Filing Documentation
Comments:	
Attachment(s):	BCVT-128888672 - TVHP Group Merit Rating Program Filing.pdf
Item Status:	
Status Date:	
Satisfied - Item:	BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing Documentation
Comments:	
Attachment(s):	BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing.pdf
Item Status:	
Status Date:	

The Vermont Health Plan Q2 2014 Benefit Relativity Methodology Actuarial Memorandum

Purpose

The purpose of this narrative is to describe the methodology for determining a common set of benefit relativities for the rating of The Vermont Health Plan (TVHP) plans. It is our desire to use the relativity factors derived from this methodology, and displayed in the exhibits, for the rating of large group business that is new or renewing in the second quarter of 2014 or later. The relativities will be used as described in the approved TVHP Group Merit Rating Program filing (SERFF# BCVT-128888672, VFN 64785). For any future benefit variations or special benefits not contained in the enclosed exhibits, relativities will be calculated using the same method described in this filing.

Overview

To determine standardized premium rate relationships, also called relativities, BCBSVT has created models that simulate the impact of member benefits for all types of plans. The models determine the allowed charges for the completed 12 months of claims included in the study, and “re-adjudicate” the claims, thereby simulating the impact of member cost sharing for a given benefit plan.

Claims data is from BCBSVT’s data warehouse. All claim and enrollment data comes from the BCBSVT’s data warehouse except where noted below. To ensure accuracy, the claims data used has been reconciled against internal reserving, enrollment and other financial reports. The starting point of the analysis is allowed charges as determined by the BCBSVT claims adjudication system. The claims data includes benefit codes that enable us to identify the services and benefit structures (copays, deductibles, and coinsurance).

For each benefit plan of interest, the models produced the simulated PMPM values of the benefits. Using the average allowed charges and average experience paid-to-allowed ratio, we calculated a “base” PMPM, also called the manual rate. This is the manual rate referred to as the “Book of Business Standard Plan Expected Single Claims Rate” in section VI.D of the TVHP Group Merit Rating Program Filing. The PMPM for each plan was then divided by the manual rate to produce its relativity. Relativities are included for medical only plans, Rx only plans, and CDHP plans.

Details about the Medical Benefit Model

Incurred allowed charges from August 2012 to July 2013, paid through October 2013, were used. We avoided using calendar year 2012 because experience for the first quarter of 2012 for BCBSVT’s Indemnity products was worse than normal, and may have skewed the benefit relationships. The allowed charges were trended to July 1, 2015. This date is the midpoint of the 12-month period that begins January 1, 2015. The majority of the business that will be renewed using these relativity factors has a January 1 renewal date; the TVHP Group Merit Rating Program formula adjusts the trend for non-January renewals.

The Vermont Health Plan Q2 2014 Benefit Relativity Methodology Actuarial Memorandum

The claims from Insured Group and Self Funded business are included in the analysis. Only plans with both medical and pharmacy benefits are included. We excluded claims for Individual lines of business, as well as claims for Large Groups with special benefits. Claims and members that have Medicare as their primary insurance were also excluded.

Claims from both BCBSVT and TVHP are used. An adjustment was made to the TVHP allowed charges to restate all claims on the 2013 contract basis. Using the contracted reimbursement schedule, we calculated network factors that represent the different network contracts. Using these factors, we can include all claims in each of the three networks by adjusting each claim. This enables us to combine all the experience for each plan design. This also increases the number of member months used to 1,567,815, and enables us to use the same membership base in both the medical and pharmacy models.

The claims were categorized according to how benefits are paid, and one record was generated for each member, date of service, and type of service. Each record was then assigned a cost share (deductible/coinsurance, copay, covered in full) for each plan available.

The plan designs modeled are:

- Blue Care HMO (HMO)
- Blue Care Point of Service (POS)
- Blue Care Open Access (OAP)
- Blue Care Lo Option (LO)
- Consumer Driven Health Plan (CDHP)

For all products, claims for preventive mandated benefits were assigned a “covered in full” cost share, independently of the product that is being modeled.

The model tested one benefit design at a time. It determined the member portion of the allowed charges, and from this, a total simulated paid PMPM for each benefit design. The impact of the office copay, deductible, coinsurance, out-of-pocket maximum, and preventive mandated benefits were all considered. If the average allowed cost of a category was less than the copay being examined, it was assumed that the member paid for the full cost of the service.

POS and OAP plans have an out-of-network benefit. In the administration of this benefit, there is no overlap between the in-network and out-of-network deductible and coinsurance. For LO, and CDHP, all claims were included and adjudicated under the one overall benefit. The allowed charges associated with out-of-network benefits were adjusted by applying a factor equal to the ratio of out-of-network charges PMPM for each plan in the base data to the analogous PMPM in the aggregate base data, in order to account for the “freedom” associated with the plan. For HMO and LO plans, a smaller portion of the overall out-of-network allowed charges was included to account for the authorized out-of-network claims (ER, Specialty procedures, etc).

The Vermont Health Plan

Q2 2014 Benefit Relativity Methodology

Actuarial Memorandum

Benefit Induced Utilization: Medical

An independent analysis was performed to measure the correlation between the benefit design and the quantity of medical services consumed. Claims and membership data from January 2009 through August 2013 were examined, and a modeled paid-to-allowed ratio was assigned to every benefit in the experience period. The correlation used the paid-to-allowed ratio as the independent variable and the utilization frequency (defined as Professional and Outpatient visits + Inpatient Admissions) as the dependent variable. A 2nd order polynomial was found to best fit the data. The polynomial was then normalized such that the paid-to-allowed ratio underlying the base BRV benefit (manual rate) returned a utilization adjustment of 1.00. In other words, if a simulated benefit has a paid-to-allowed ratio less than that of the average benefit, then utilization will be reduced (i.e. factor < 1.00). If a simulated benefit has a paid-to-allowed ratio greater than the average, then the benefit will have induced utilization (i.e. factor > 1.00).

Details about the Pharmacy Benefit Model

As with medical claims described above, incurred allowed drug charges from August 2012 to July 2013, paid through October 2013, were used. The charges were completed and trended to July 1, 2015. Included are claims from Insured Group, Self Funded and TVHP Group business. Since both TVHP and BCBSVT have the same Pharmacy Benefit Manager (PBM) contract, no adjustment was needed to combine the claims from the two companies. We excluded claims from Individual lines of business, as well as claims for Large Groups with special benefits. Only plans with both medical and pharmacy benefits are included.

Within the model, pharmacy scripts are assigned to one of six categories:

- Retail Generic
- Retail Preferred Brand
- Retail non-Preferred Brand
- Mail Generic
- Mail Preferred Brand
- Mail non-Preferred Brand

The experience period data was adjusted to reflect the major brands that are expected to become generic during 2014 and 2015. The list was based on a report provided by ESI, our PBM.

For these brands, the following adjustments were made:

- For the first 6 months (exclusivity period), we reduced the Average Wholesale Price (AWP) by 10% and kept the brand discount.
- For the months after the exclusivity period, we reduced the AWP by 10% and changed the discount to the generic discount. The 10% reductions in AWP are based upon industry standard assumptions, supported by our own analysis of AWP changes for drugs that have moved from brand to generic over the past several years.

One record was created for each member and date of service combination. One record can have more than one script category. The model tested one benefit design

**The Vermont Health Plan
Q2 2014 Benefit Relativity Methodology
Actuarial Memorandum**

at a time. It determined the member portion of the allowed charges and a total simulated paid PMPM for each benefit design. The impact of the deductible, coinsurance, copays and out-of-pocket maximum (OOPM) were considered. Following the ACA, contraceptives were excluded from the cost sharing. If the average allowed cost of a category is less than the copay being examined, it is assumed that the member pays for the full cost of the script. With Vermont Act 171, all pharmacy benefits now have an OOPM of \$1,250. It is expected that this limit will increase to an unknown amount, following the IRC rules for Health Savings Account and High Deductible Plans, in 2015. The exhibits include the \$1,250 OOPM benefit on pharmacy.

TVHP also offers different riders for pharmacy benefits. These riders will be modeled in the same way described above.

Benefit Induced Utilization: Pharmacy

Independent analysis was performed to measure the correlation between the benefit design and the quantity of pharmacy prescriptions consumed. The pharmacy benefits are adjusted in two ways. First, the generic utilization varies with the benefit designs. Claims and membership data from January 2009 through August 2013 were examined, and a table was created to adjust the base generic utilization up or down depending on the difference in the Generic and Brand copays of the member's drug plan.

Second, a separate analysis was done to adjust for the overall pharmacy benefit. A modeled paid-to-allowed ratio was assigned to every benefit in the experience period. The correlation used the paid-to-allowed ratio as the independent variable and utilization frequency (defined as number of scripts) as the dependent variable. A line was found to best fit the data. The line was then normalized such that the paid-to-allowed ratio underlying the base BRV benefit (manual rate) returned a utilization adjustment of 1.00.

Details about the Integrated Benefit Model (CDHP)

The CDHP model combines both the medical and pharmacy models described above. One record was created for each member, date of service and type of service combination. A separate medical and pharmacy paid-to-allowed ratio was calculated, and the appropriate utilization adjustment was made.

Details about the Manual Rate (Base Plan PMPM)

The manual rate is based on the experience average allowed charges and average paid-to-allowed ratio in the experience period. The Experience Paid-to-Allowed Ratios are calculated before any adjustment is made to the claims. The manual rate used in this filing is \$408.35.

**The Vermont Health Plan
Q2 2014 Benefit Relativity Methodology
Actuarial Memorandum**

	PMPM Allowed	Experience Paid-to-Allowed Ratio	PMPM Paid
Medical	\$412.48	84.46%	\$348.38
Rx	\$71.31	84.10%	\$59.97
Total	\$483.79	84.41%	\$408.35

The ratio of medical to pharmacy allowed charges has shifted with the updated experience and trends. The table below shows the prior and current ratios:

	Medical Weight	Pharmacy Weight
Prior Filing	82.1%	17.9%
Current Filing	85.3%	14.7%

The new medical to pharmacy ratio is reflected in the final benefit relative values.

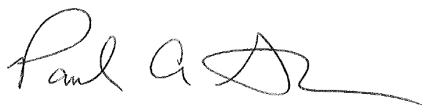
Actuarial Opinion

The purpose of this filing is to develop benefit relative value factors for use in the rating of TVHP large group benefit plans. This filing is not intended to be used for other purposes.

The data used in this analysis has been reviewed for reasonableness and consistency; however, it has not been audited.

It is my opinion that the benefit relative value factors presented in this filing fall within a range of reasonable values. They will produce premium rates that are reasonable in relation to the benefits provided, adequate, not excessive, and not unfairly discriminatory.

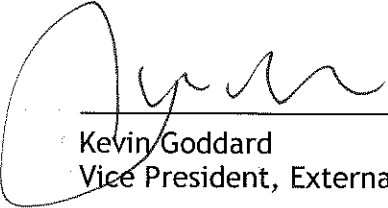
I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's Qualification Standards to render this opinion.



Paul Schultz, F.S.A., M.A.A.A.

January 6, 2014

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont



Kevin Goddard
Vice President, External Affairs and Sales

11/9/14

Date

**The Vermont Health Plan
Q2 2014 Benefit Relativity Methodology
Plain Language Summary**

The purpose of this filing is to establish a common set of benefit relativities for the rating of The Vermont Health Plan (TVHP) plans. The relativity factors will be used in the rating of large group business that is new or renewing in the second quarter of 2014 or later.

In developing rates for Merit rated (i.e. experience rated) groups it is typically the case that the plans of benefits to be rated are different from those from which the experience arose. To adjust for this, benefit relativity values are calculated for each plan of benefits. This is done by taking the claims for our entire book of business and recalculating the paid claims based on each provider network and plan design. Adjustments are made for the fact that utilization patterns for richer than average/ (leaner than average) benefit levels are higher/ (lower) than for an average benefit level. The resulting expected claim amounts for each benefit plan are compared to the average block of business claim amount to produce a series of index values, or benefit relativities. These relativities are used to convert a case's experience under the plan in force in its experience period to the expected experience under any new plan in the rating period.

The series of benefit relativity factors are themselves, on the whole, neutral to the cost of coverage. Rather, the factors are used to create reasonable and adequate pricing differentials among specific benefit plan designs.

For cases that are not fully credible, the block of business average PMPM is used to generate "manually rated" expected claims for the rating period. The manual rate is blended with the case's actual experience based upon the level of credibility assigned to the case. While this methodology is described in detail within the TVHP Group Merit Rating Program filing, the development of the book of business average PMPM is described within this filing.

The Vermont Health Plan
Benefit Plan Relative Value Factors
BlueCare LO Options (BCLO) and Open Access (OAP) Medical Plans

index	Product	In-Network						Out-of-Network			Relativity
		Deductible	Coinsurance	Out-of-Pocket	Office Copay	Specialist Copay	ER ¹ Copay	Deductible	Coinsurance	Out-of-Pocket	Active
1	LO	\$2,500	0%	\$2,500							0.7036
2	LO	\$5,000	0%	\$5,000	\$30	\$30					0.6142
3	OAP	\$500	20%	\$1,500	\$20	\$20	\$100	\$1,000	40%	\$3,000	0.8956
4	OAP	\$2,000	20%	\$4,000	\$30	\$30	\$100	\$4,000	40%	\$8,000	0.7086
5	OAP	\$3,000	0%	\$3,000	\$30	\$30	\$100	\$5,000	40%	\$10,000	0.7291

1. **ER Copay:** the displayed member copay goes toward the facility allowed charges.
Associated physician and ancillary charges are the covered at 100%.
2. For the BCLO product, Office and Specialist Copay can be under the deductible.
3. BCLO does not have Out-of-Network benefits.

**The Vermont Health Plan
Benefit Plan Relative Value Factors
Consumer Driven Health Plans (CDHP's)**

index	Product	In-Network						Relativity
		Deductible	Coinsurance	Out-of-Pocket	Rx OOPM Limit ³	Wellness Rx ¹	Drugs After Deductible ²	Active
1	CDHP	\$1,500	0%	\$1,500	\$1,250	N/A	0%	0.9724
2	CDHP	\$1,500	0%	\$1,500	\$1,250	0%	0%	0.9774
3	CDHP	\$1,500	20%	\$2,500	\$1,250	N/A	20%	0.8913
4	CDHP	\$1,800	0%	\$1,800	\$1,250	N/A	0%	0.9327
5	CDHP	\$2,000	0%	\$2,000	\$1,250	N/A	0%	0.9092
6	CDHP	\$2,000	10%	\$3,500	\$1,250	N/A	10%/40%/50%	0.8450
7	CDHP	\$2,000	20%	\$3,500	\$1,250	N/A	10%/25%/25%	0.8236
8	CDHP	\$2,000	0%	\$2,000	\$1,250	0%	0%	0.9154
9	CDHP	\$2,000	0%	\$2,000	\$1,250	\$10/\$30/\$50	0%	0.9111
10	CDHP	\$2,000	20%	\$3,000	\$1,250	N/A	20%	0.8405
11	CDHP	\$2,250	0%	\$2,250	\$1,250	N/A	0%	0.8831
12	CDHP	\$2,250	0%	\$2,250	\$1,250	0%	0%	0.8896
13	CDHP	\$2,250	20%	\$3,250	\$1,250	\$15/\$40/\$60	20%	0.8197
14	CDHP	\$2,500	0%	\$2,500	\$1,250	0%	0%	0.8663
15	CDHP	\$2,500	0%	\$2,500	\$1,250	N/A	0%	0.8595
16	CDHP	\$2,500	0%	\$2,500	\$1,250	\$10/\$30/\$50	0%	0.8613
17	CDHP	\$2,500	0%	\$2,500	\$1,250	\$10/\$30/\$50	0%	0.8613
18	CDHP	\$2,500	10%	\$5,000	\$1,250	N/A	10%	0.7941
19	CDHP	\$3,000	0%	\$3,000	\$1,250	N/A	0%	0.8186
20	CDHP	\$3,000	0%	\$3,000	\$1,250	0%	0%	0.8261
21	CDHP	\$3,000	0%	\$3,000	\$1,250	\$10/\$30/\$50	0%	0.8204
22	CDHP	\$3,000	20%	\$5,000	\$1,250	0%	20%	0.7508
23	CDHP	\$3,000	20%	\$5,500	\$1,250	N/A	10%/25%/25%	0.7331
24	CDHP	\$3,000	0%	\$3,000	\$1,250	\$5/\$15/\$40	0%	0.8224
25	CDHP	\$3,000	0%	\$3,000	\$1,250	0%	0%	0.8261
26	CDHP	\$3,000	0%	\$3,000	\$1,250	\$5/40%/60%	0%	0.8197
27	CDHP	\$3,000	0%	\$4,000	\$1,250	\$10/\$30/\$50	\$10/\$30/\$50	0.8096
28	CDHP	\$3,000	20%	\$4,000	\$1,250	0%	20%	0.7753
29	CDHP	\$3,250	20%	\$4,250	\$1,250	\$15/\$40/\$60	20%	0.7520
30	CDHP	\$4,000	0%	\$4,000	\$1,250	0%	0%	0.7630
31	CDHP	\$4,000	0%	\$4,000	\$1,250	N/A	0%	0.7543
32	CDHP	\$5,000	0%	\$5,000	\$1,250	0%	0%	0.7151
33	CDHP	\$5,000	0%	\$5,000	\$1,250	N/A	0%	0.7054
34	CDHP	\$5,000	0%	\$5,000	\$1,250	\$10/\$30/\$50	0%	0.7081

1. **Wellness Rx:** if applicable, cost sharing rules apply *before* the deductible is satisfied.

The member's cost share for **Wellness Rx** accumulates toward the Out-of-Pocket Maximum.

2. **All other drugs** are subject to deductible. Once the deductible is met, drugs are subject to the **Drugs After Deductible** cost share until the Out-of-Pocket Maximum is met.

3. The **Rx OOPM** Limit is as described in Vermont Act 171.

**The Vermont Health Plan
Benefit Plan Relative Value Factors
BlueCare (HMO) Medical Plans**

index	Product ¹	In-Network								Relativity
		IP	OP	HOSP	PCP	SCP	ER	AMB	OOPM	Active
1	HMO	\$2,000	\$1,000		\$20	\$30	\$50	\$50	\$6,350	1.0002
2	HMO	\$250	\$100		\$20	\$30	\$50	\$0	\$6,350	1.0546
3	HMO	\$0	\$0		\$10	\$20	\$50	\$0	\$6,350	1.0772
4	HMO	\$250	\$100		\$10	\$20	\$50	\$0	\$6,350	1.0734
5	HMO	\$250	\$100		\$15	\$25	\$50	\$0	\$6,350	1.0667
6	HMO	\$0	\$0		\$20	\$30	\$50	\$0	\$6,350	1.0620
7	HMO	\$0	\$100		\$20	\$30	\$50	\$0	\$6,350	1.0586
8	HMO			\$1,000	\$20	\$30	\$50	\$50	\$6,350	1.0181
9	HMO	\$250	\$100		\$20	\$30	\$100	\$0	\$6,350	1.0502
10	HMO			\$3,000	\$20	\$30	\$100	\$50	\$6,350	0.9448
11	HMO	\$500	\$200		\$20	\$30	\$100	\$100	\$6,350	1.0420
12	HMO			\$750	\$20	\$30	\$50	\$50	\$6,350	1.0282
13	HMO	\$250	\$100		\$25	\$40	\$100	\$50	\$6,350	1.0292
14	HMO	\$1,500	\$750		\$20	\$30	\$50	\$50	\$6,350	1.0146
15	HMO	\$2,000	\$1,000		\$20	\$30	\$50	\$50	\$6,350	1.0002

PCP	Primary Care Physician Copay
SCP	Specialist Physician Copay
IP	Inpatient Care Deductible (max of 2/yr per family)
OP	Outpatient Surgery Copay
HOSP	Combined Inpatient Care & Outpatient Surgery Deductible (max of 2/yr per family)
ER	Emergency Room Copay
AMB	Ambulance Copay

1. All HMO Plans have a DME rider benefit of: \$100 deductible, 80% coinsurance, built into the relativity.
2. HMO Plans do not have Out-of-Network benefits.

The Vermont Health Plan
Benefit Plan Relative Value Factors
Prescription Drug Cards

index	Type	Deductible	Copay (\$) / Coinsurance (%)						OOPM	Diabetic Supplies	Lifestyle Exclusion Rider	Relativity
			Retail Generic	Retail Preferred Brand	Retail Non-Preferred Brand	Mail Order Generic	Mail Order Preferred Brand	Mail Order Non-Preferred Brand				
1	COP	\$0	\$10	\$20	\$35	\$20	\$40	\$70	\$1,250	100%	N	0.1616
2	COP	\$0	\$10	\$25	\$40	\$20	\$50	\$80	\$1,250	100%	N	0.1523
3	COP	\$0	\$15	\$25	\$40	\$30	\$50	\$80	\$1,250	100%	N	0.1533
4	COP	\$0	\$5	\$20	\$45	\$10	\$40	\$90	\$600	100%	N	0.1644
5	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	100%	N	0.1359
6	COP	\$0	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	100%	N	0.1459
7	COP	\$0	\$10	\$30	\$60	\$20	\$60	\$120	\$1,250	100%	N	0.1444
8	COP	\$0	\$5	\$25	\$50	\$10	\$50	\$100	\$1,250	100%	N	0.1566
9	COP	\$100	\$10	\$30	\$45	\$20	\$60	\$90	\$1,250	100%	N	0.1366
10	COP	\$100	\$5	\$25	\$50	\$10	\$50	\$100	\$1,250	100%	N	0.1437
11	COP	\$100	\$5	\$35	\$50	\$10	\$70	\$100	\$1,250	100%	N	0.1390
12	COP	\$50	\$10	\$20	\$35	\$20	\$40	\$70	\$1,250	100%	N	0.1557
13	CMB	\$50	\$10	20%	20%	\$20	20%	20%	\$1,250	SAAO	N	0.1276
14	COI	\$0	50%	50%	50%	50%	50%	50%	\$1,250	SAAO	N	0.1153
15	COI	\$0	0%	20%	50%	0%	20%	50%	\$1,250	SAAO	N	0.1500
16	COP	\$0	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	N	0.1434
17	COP	\$0	\$15	\$25	\$40	\$30	\$50	\$80	\$1,250	SAAO	N	0.1509
18	COP	\$0	\$5	\$10	\$25	\$10	\$20	\$50	\$1,250	SAAO	N	0.1752
19	COP	\$0	\$5	\$20	\$35	\$10	\$40	\$70	\$1,250	SAAO	N	0.1620
20	COP	\$100	\$0	\$20	\$40	\$0	\$40	\$80	\$1,250	SAAO	N	0.1557
21	COP	\$100	\$10	\$15	\$30	\$20	\$30	\$60	\$1,250	SAAO	N	0.1507
22	COP	\$100	\$10	\$20	\$40	\$20	\$40	\$80	\$1,250	SAAO	N	0.1473
23	COP	\$100	\$10	\$25	\$45	\$20	\$50	\$90	\$1,250	SAAO	N	0.1386
24	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	N	0.1334
25	COP	\$50	\$10	\$20	\$35	\$20	\$40	\$70	\$1,250	SAAO	N	0.1534
26	COP	\$50	\$10	\$20	\$50	\$20	\$40	\$100	\$1,250	SAAO	N	0.1506
27	COP	\$50	\$10	\$25	\$40	\$20	\$50	\$80	\$1,250	SAAO	N	0.1443
28	COP	\$50	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	N	0.1381
29	COP	\$50	\$5	\$10	\$25	\$10	\$20	\$50	\$1,250	SAAO	N	0.1673
30	COP	\$0	\$10	\$20	\$40	\$20	\$40	\$80	\$1,250	SAAO	N	0.1582
31	COP	\$0	\$10	\$25	\$40	\$20	\$50	\$80	\$1,250	SAAO	N	0.1498
32	COP	\$0	\$10	\$30	\$60	\$20	\$60	\$120	\$1,250	SAAO	N	0.1419
33	COP	\$0	\$10	\$35	\$60	\$20	\$70	\$120	\$1,250	SAAO	N	0.1380
34	COP	\$0	\$15	\$30	\$45	\$30	\$60	\$90	\$1,250	SAAO	N	0.1418
35	COP	\$0	\$5	\$20	\$45	\$10	\$40	\$90	\$1,250	SAAO	N	0.1600
36	COP	\$0	\$5	\$30	\$50	\$10	\$60	\$100	\$1,250	SAAO	N	0.1501
37	COP	\$100	\$10	\$30	\$45	\$20	\$60	\$90	\$1,250	SAAO	N	0.1341
38	COP	\$100	\$10	\$30	\$50	\$20	\$60	\$100	\$1,200	SAAO	N	0.1336
39	COP	\$100	\$15	\$30	\$45	\$30	\$60	\$90	\$1,250	SAAO	N	0.1331
40	COP	\$100	\$15	\$30	\$50	\$30	\$60	\$100	\$1,250	SAAO	N	0.1324
41	COP	\$100	\$5	\$20	\$40	\$10	\$40	\$80	\$1,250	SAAO	N	0.1476
42	COP	\$100	\$5	\$20	\$45	\$10	\$40	\$90	\$1,250	SAAO	N	0.1468
43	COP	\$150	\$10	\$30	\$50	\$20	\$60	\$100	\$1,250	SAAO	N	0.1294
44	COP	\$50	\$10	\$25	\$35	\$20	\$50	\$70	\$1,250	SAAO	N	0.1452
45	COP	\$50	\$10	\$35	\$70	\$20	\$70	\$140	\$1,250	SAAO	N	0.1318
46	COP	\$50	\$15	\$25	\$40	\$30	\$50	\$80	\$1,250	SAAO	N	0.1460

* **Type:** COI = coinsurance; COP = copay; CMB = combined

* **Diabetic:** If "100%" then Diabetic supplies are covered at 100% of allowed charges;

If "SAAO" then Diabetic supplies are subject to cost sharing same as any other prescription drug.

* **Lifestyle Exclusion Rider :** If "Y" then the benefit has the Lifestyle Exclusion Rider.



January 17, 2014

Mr. Josh Hammerquist, A.S.A., M.A.A.A.
Assistant Vice President & Consulting Actuary
Lewis & Ellis, Inc.

**Subject: Your 01/15/2014 Questions re: The Vermont Health Plan
2Q 2014 BCBSVT Benefit Relativity Factor Filing (SERFF Tracking #: BCVT-129370736)**

Dear Mr. Hammerquist:

In response to your request dated January 15, 2014, here are *your questions* and our answers:

1. Please submit the SERFF PDF Pipelines with all communications for the previously approved version of this filing and the filing that is referenced specifically in the Actuarial Memorandum.

Please find attached the SERFF PDF Pipelines for:

- BCVT-128829695 - TVHP 2Q 2013 Benefit Relativity Factor Filing
- BCVT-128888672 - TVHP Group Merit Rating Program Filing

2. Provide the credibility formula that is applied to large groups. Include 2 examples from previous filings for large groups that are not fully credible.

We do not file large group rates in Vermont. The credibility formula is described in BCVT-128888672 - TVHP Group Merit Rating Program Filing, page 10 of 25, attached as per above.

Please let us know if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Schultz".

Paul Schultz, F.S.A., M.A.A.A.

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP Group Merit Rating Program Filing		
Project Name/Number:	/		

Filing at a Glance

Company:	TVHP
Product Name:	TVHP Group Merit Rating Program Filing
State:	Vermont
TOI:	ML02 - Multi-Line - Other
Sub-TOI:	ML02.0000 - Multi-Line - Other
Filing Type:	Trend / Admin Charge
Date Submitted:	02/08/2013
SERFF Tr Num:	BCVT-128888672
SERFF Status:	Assigned
State Tr Num:	64785
State Status:	Pending Department Review
Co Tr Num:	
Co Status:	
Implementation	On Approval
Date Requested:	
Author(s):	Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
Reviewer(s):	Phil Keller (primary)
Disposition Date:	
Disposition Status:	
Implementation Date:	

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP Group Merit Rating Program Filing
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Large
Group Market Type: Employer Overall Rate Impact:
Filing Status Changed: 02/12/2013 Company Status Changed:
State Status Changed: 02/12/2013 Deemer Date:
Created By: Jude Daye Submitted By: Pam Young
Corresponding Filing Tracking Number:

Filing Description:
February 7, 2013

Phil Keller
Director of Insurance Rates and Forms
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

Subject: The Vermont Health Plan (NAIC # 000095696)
Group Merit Rating Program Filing

Dear Phil,

We are submitting for your review and approval a revised Group Merit Rating Program Filing. With this revision, we are seeking to unify the rating methodologies of TVHP and BCBS. As such, this filing is substantially similar to the approved BCBS Group Merit Rating Program Filing (SERFF # BCVT-128267446), with only minor changes to account for the differences between the two companies. We have adjusted the calculation of projected claims to account for the fact that some TVHP claims are the responsibility of a PHO.

We are including an explanation of how we derive the manual rate from the approved Benefit Relative Value filing and tables of the demographic and industry factors that we will be applying to it. We would also like to note that we will be using the "uncapped" trend factor and the pooling charge factors from our most recent filings (SERFF # BCVT-128694637 and BCVT-128829841, respectively) when approved.

Please do not hesitate to contact me if there is anything we can do to facilitate your review. Thank you for your consideration.

Sincerely,

Kevin Goddard

cc: Tammy Tomczyk / Oliver Wyman Sean Londergan / DFR
Ruth Greene / BCBSVT Vince Mace / BCBSVT
Kimberly Peake / BCBSVT

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP Group Merit Rating Program Filing
Project Name/Number: /

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant
445 Industrial Lane
Montpelier, VT 05601
dayej@bcbsvt.com
802-371-3244 [Phone]

Filing Company Information

TVHP
PO BOX 186
Montpelier, VT 05601
(802) 371-3450 ext. [Phone]
CoCode: 95696
Group Code:
Group Name:
FEIN Number: 03-0354356
State of Domicile: Vermont
Company Type: HMO
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: Yes

Company	Amount	Date Processed	Transaction #
TVHP	\$50.00	02/08/2013	67346556

SERFF Tracking #:	BCVT-128888672	State Tracking #:	64785	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP Group Merit Rating Program Filing				
Project Name/Number:	/				

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	TVHP Group Merit Rating Program Narrative.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Rate Filing Certification.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Health Administrative Forms
Comments:	
Attachment(s):	F106 TVHP Group Merit Rating Program Filing.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Health Filing Data
Bypass Reason:	Our variability data is filed with our outline of coverage filings.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	BCBSVT does not use a Third Party to submit filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Attachments
Comments:	
Attachment(s):	TVHP Filing Attachments.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	BCVT-128888672	State Tracking #:	64785	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP Group Merit Rating Program Filing				
Project Name/Number:	/				

The Vermont Health Plan Group Merit Rating Program

I. Purpose

The Group Merit Rating Program specifies the policies and practices used by The Vermont Health Plan (TVHP) for issuing renewal rates to eligible group businesses.

II. Definitions

- A. Eligibles** - Employees of the group who can be offered health insurance and work thirty or more hours a week.
- B. Experience Period** - The duration of time from which group data is accumulated for renewal rating purposes.
- C. Group** - A collection of subscribers covered by certificates and recognized by the Plan as one entity for rating purposes.
- D. Merit** - A type of group; one with at least 51 eligibles.
- E. Rates** - The monthly premiums charged by the Plan for a particular group, time period, type of coverage, and type of membership
- F. Rating Period** - The duration of time (typically twelve months) for which group renewal rates are calculated and intended to remain constant. Rates would change in conjunction with a benefit change.
- G. Standard Plan** - A conceptual benefit design that has a BRV equal to 1.00.

III. General Provisions

A. Effective Date

The Group Merit Rating Program described herein will apply beginning with rates communicated 10 business days after the date of its approval, and continuing until 10 business days after the date of approval of the next TVHP Group Merit Rating Program. The term “communicated,” for this purpose, means a written proposal delivered to a large group account.

B. Premium Accounts

The Group Merit Rating Program is applicable to groups that fund health coverage by paying premiums to TVHP. Such premium arrangements may include fully insured, retrospective and contingent funding methods.

The Vermont Health Plan Group Merit Rating Program

C. Lines of Business

Upon implementation, the Group Merit Rating Program will apply to all TVHP comprehensive medical coverages. We may include additional lines of business under this Program as appropriate during the future. Any additional lines of business incorporated within the Program will be administered consistent with the policies and practices herein.

IV. Eligibility for Group Merit Rating Program

A. Recognized Group

This Program applies only to accounts, contracting for coverage with TVHP, that meet the definition of group herein.

B. Group Size

This Program applies to groups that have maintained at least 51 eligibles on 50 percent of its working days during the preceding calendar quarter. Furthermore, we will apply the Group Merit Rating Program to renewal rate calculations for groups for which strong evidence indicates a rating period average of at least 51 eligibles, so long as relevant experience is available.

C. Mergers/Separations

Mergers with other groups or by separation of units within the group itself may affect the eligibility of a group for the Group Merit Rating Program. We determine whether the merger/separation activity dictates recognition of different groups for rating purposes. In general, we require that such activity be supported by bona fide changes in common ownership status or in joint administrative status in order to redefine a group.

V. Data

A. Group Specific

Under the Group Merit Rating Program, experience period claims normally are twelve consecutive incurred months and fourteen consecutive paid months beginning eighteen months prior to the effective date. However, we may choose to alter the length and/or timing of the experience period based on market and/or business needs.

B. Corporate Factors

Several corporate factors contribute to the development of group-specific renewal rates. These factors include: 1) completion factors, 2) Book of Business Standard Plan Expected Single Claim Rate, 3) trend factors, 4)

The Vermont Health Plan Group Merit Rating Program

retention factors such as administrative fees and contribution to reserve, 5) pooling charges and 6) capitated charges. Where applicable, we file these factors with the Vermont Department of Financial Regulation and use the most recently approved factors in the rating.

VI. Rating Mechanism

A. Experience Period Claims PMPM

TVHP experience contains both claims that are TVHP's responsibility (non-MET claims) and claims that are the responsibility of a PHO (MET claims). We first calculate the split between the two, and we call these percents the Non-MET Percent and MET Percent, respectively.

We split experience period claims into amounts above the pooling point (based on the size of the case during the experience period) and amounts below the pooling point. We refer to claims below the pooling point as Capped Claims.

We apply completion factors developed from the monthly financial reporting process to Capped Claims to produce Completed Capped Claims. We add a pooling charge (calculated as a factor¹ times the sum of the Completed Capped Claims) to the Completed Capped Claims to produce large claim adjusted experience period claims. We then multiply these claims by an adjustment factor to reflect structural changes in the benefit plan from the experience period to the rating period. (This is to adjust for such things as mandated benefit changes, contractual provision changes, etc., that, in the judgment of the underwriter, are necessary to make the experience appropriate for the estimation of the expected claims in the rating period.)

We divide the result by the number of member months during the experience period to produce Adjusted Experience Period Claims per member per month (PMPM).

B. Average Experience Period Seasonal Adjusted Benefit Relativity Factor

We determine an Average Experience Period Seasonal Adjusted Benefit Relativity Factor as follows:

¹ Pooling charge factors are from the TVHP Provision for Large Claims Filing for 2013, SERFF # BCVT-128829841.

The Vermont Health Plan Group Merit Rating Program

1. We determine a benefit relativity factor for each benefit plan and contract tier type (single, 2-person, family, etc.).
2. Based on the seasonal patterns observed as part of the reserving process for each calendar month (January, February, ..., December), we determine seasonal factors for CDHPs and for non-CDHPs and normalize them so that they total to 12.
3. For each benefit plan, contract tier type and month, we calculate a seasonal benefit relativity factor. We then apply these factors to the number of contracts for each benefit plan, contract tier type and month in the experience period. We total the results and divide the resultant sum by the number of member months in the experience period. This produces the Average Experience Period Seasonal Adjusted Benefit Relativity Factor.

C. Experience-Based Expected Standard Plan Single Claims Rate

We divide the Adjusted Experience Period Claims PMPM by the Average Experience Period Seasonal Adjusted Benefit Relativity Factor to produce the Experience Period Standard Benefit Single Claims Rate. We then multiply this by a trend factor to adjust from the experience period to the rating period. The result is the Experience-Based Expected Standard Plan Claims Single Claims Rate.

D. Book of Business Standard Plan Expected Single Claims Rate

We derive the standard rate from the approved TVHP Benefit Relativity Factor Filing's base plan PMPM. We trend this PMPM forward to the effective date of the rating with the Benefit Paid Estimated Uncapped Combined trend from the most recently approved TVHP trend filing. We then adjust this trended PMPM for the specifics of the case. We calculate a weighted average age/gender factor for the group based on the current membership.² We also identify the appropriate industry load or credit based on the group's SIC.³ We then multiply the trended standard rate by these two factors to determine the case specific Book of Business Standard Plan Expected Single Claims Rate.

E. Credibility Factor (CF)

The calculation is as follows:

² The age/gender adjustment factors are included as Attachment B.

³ The industry factors are included as Attachment C.

The Vermont Health Plan Group Merit Rating Program

Let $NC = \{\text{average number of non-carveout subscribers in the experience period}\} + \{0.5 * \text{average number of carveout subscribers during the experience period}\}$.

Let $CF = cf_1 * cf_2$ where:

$$cf_1 = \begin{cases} (NC/500)^{0.75} & \text{for } NC < 500 \\ 1 & \text{for } NC \geq 500 \end{cases}$$

$$cf_2 = \min \{(\text{number of months in experience period}/12)^2, 1\}$$

F. Projected Standard Plan Single Claims Rate

We calculate this as (CF) times (Experience-Based Expected Standard Plan Single Claims Rate) plus (1-CF) times (Book of Business Standard Plan Expected Single Claims Rate).

G. Projected Standard Plan MET Capitation Single Rate

Using the actual and projected changes to the contracted MET's, we produce an expected MET capitation for the Standard Plan for the rating period. This is adjusted for the current demographics of the group. We call this the Projected Standard Plan MET Capitation Single Rate.

H. MET Adjusted Projected Standard Plan Single Claims Rate

We calculate this as (Non-MET Percent) times (Projected Standard Plan Single Claims Rate) plus (MET Percent) times (Projected Standard Plan MET Capitation Single Rate).

I. Projected Claims by Plan, Tier Type

For each plan and contract tier type anticipated in the rating period, we calculate projected claims as the (MET Adjusted Projected Standard Plan Single Claims Rate) times (the BRV for the plan and contract tier).

J. Required premium by Plan, Tier Type

The average number of members per contract tier during the experience period is the basis for the projected members per tier in the rating period. The underwriter will adjust this if, in their opinion, the result is not

The Vermont Health Plan Group Merit Rating Program

representative of the expected values in the rating period.⁴ The calculation for the total required premium by (plan, tier) is as follows:

1. Projected Claims by (plan, tier), plus
2. {(Projected PMPM capitation for the plan) + (Expected net reinsurance PMPM for the plan) - (Projected Rx rebate for the plan)} times (the expected number of members per contract in the tier), plus
3. (PMPM administration charge factors⁵) times (the expected number of members per contract in the tier), times
4. $1 / (1 - \text{contribution to reserve factor} - \text{percent of premium administration charge factors}^6)$.

K. Underwriting Judgment Adjustments

If, in the underwriter's professional judgment, the specific properties of the case being rated are such that the standard formula would not produce appropriate rates for the rating period, the underwriter will make such modifications as needed to produce appropriate rates. The underwriter will document in the case file the reason(s) for the adjustment(s) and the method of determining the appropriate adjustment(s).

L. Management Discretionary Adjustments

For marketing or other reasons, management may decide to modify the rates on a specific case or block of cases. The underwriter will document in the case file the adjustment(s) made, along with a description of the nature of the adjustment(s).

VII. Attachments

A. Sample Calculation

Attachment A illustrates the calculation of the renewal rate changes in a manner consistent with the mechanism described in Section VI herein.

⁴ E.g., the number of contracts in a particular tier may be small (or even 0). In such instances, the underwriter should use appropriate values based on total block of business or other appropriate source.

⁵ These factors include the filed administrative charge plus any charges for broker commissions or additional administrative services that may be applicable.

⁶ Where applicable. This factor may include broker commissions and/or charges for additional administrative services that were not already included in the previous step.

The Vermont Health Plan Group Merit Rating Program

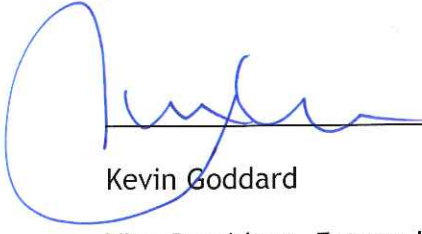
B. Age/Gender Adjustments

Attachment B contains a table of age/gender adjustment factors, normalized for our book of business, that we will apply to Book of Business Standard Plan Expected Single Claims Rate, as described herein.

C. Industry Adjustments

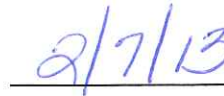
Attachment C contains a table of industry adjustment factors by SIC, normalized for our book of business, that we will apply to Book of Business Standard Plan Expected Single Claims Rate, as described herein.

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.



Kevin Goddard

Vice President, External Affairs



Date

Health Filing Form F106 (7/98)
Required Information for All Filings & the Fee

NAIC#: 95696
Company Name The Vermont Health Plan
Address: PO Box 186
City, State, Zip: Montpelier, VT 05601
Phone: 371-3450 Contact Person: Alison Partridge

Filing Contents: TVHP Group Merit Rating Program Filing

- 1) New: ☒ Change: ☐
If a Change: Latest Approval Date: _____ Vermont Filing #: _____
2) Rates: ☒ Forms: ☐ Rates & Forms: ☐
3) Policy: ☐ Contract: ☐ Amendment: ☐ Endorsement: ☐
Handbook: ☐ Rider: ☐ Certificate: ☐ Other: Outline
4) Individual: ☐ Small Group (1-50): ☐ Large Group (51+): ☒ All Groups: ☐

Type of Filing:

Accident Only: <input type="checkbox"/>	Dental: <input type="checkbox"/>	Miscellaneous: <input type="checkbox"/>
AD&D: <input type="checkbox"/>	Disability: <input type="checkbox"/>	Nursing Home Only: <input type="checkbox"/>
Advertising: <input type="checkbox"/>	Home Health Only: <input type="checkbox"/>	Organ Transplant: <input type="checkbox"/>
Blanket: <input type="checkbox"/>	Hospital Indemnity: <input type="checkbox"/>	Prescription Drug: <input type="checkbox"/>
Cancer Expense: <input type="checkbox"/>	Limited Benefit: <input type="checkbox"/>	Student/Athlete: <input type="checkbox"/>
Comprehensive/ Major Medical: <input type="checkbox"/>	Long Term Care: <input type="checkbox"/>	Stop Loss/Excess Risk: <input type="checkbox"/>
Conversion: <input type="checkbox"/>	Qualified: <input type="checkbox"/>	Travel: <input type="checkbox"/>
Critical Illness: <input type="checkbox"/>	Non-Qualified: <input type="checkbox"/>	Vision: <input type="checkbox"/>
	Medicare Supplement: <input type="checkbox"/>	Other: <u>Health</u>

Mandatory - Filing Fee Information:

1. State of Domicile: Vermont
2. Amount of Fee: \$50.00
3. Is the Fee you are sending based on your state of domicile's retaliatory fee? Yes ☐ No ☒
4. Explain how each part of the Fee was determined, showing all calculation (use separate sheet if necessary). Vermont filing fee

5. Fee calculated by: Jude Daye
(Printed Name)

(Signature)



The Vermont Health Plan
Group Merit Rating Mechanism
Calculation Example

Attachment A

Projected Standard Plans Single Claims Rate:

Experience Period Paid Claims	\$1,000,000	a
Experience Period Claims amount above \$60,000 pooling limit	\$150,000	b
Capped Claims	\$850,000	c =a-b
Completion Factor	1.011	d
Completed Capped Claims	\$859,350	e =c*d
Pooling Charge Factor	0.166	f
Pooling Charge	\$142,652	g =e*f
Experience adjustment factor	1.000	h
Adjusted Experience Period Claims	\$1,002,002	i =(e+g)*h
Experience Period Member Months	5,000	j
Adjusted Experience Period Claims PMPM	\$200.40	k =i/j
Average Experience Period Seasonal Adjusted Benefit Relativity Factor	0.809	l
Experience Period Standard Benefit Single Claims Rate	\$247.71	m =k/l
Trend 7.8% per annum for 18 months	1.119	n
Experience-Based Expected Standard Plan Single Claims Rate	\$277.25	o =m*n
Book of Business Standard Plan Expected Single Claims Rate	\$506.33	p
Credibility factor	55%	q
Projected Standard Plan Single Claims Rate	\$380.34	r =(o*q)+(p*(1-q))
Non-MET Percent	78%	s
Projected Standard Plan MET Capitation Single Rate	\$390.00	t
MET Percent	22%	u =1-s
MET Adjusted Projected Standard Plan Single Claims Rate	\$382.46	v =r*s+u*v

Needed Premium Rates (PMPM):

	<u>PMPM</u>	<u>Single</u>	<u>2-Person</u>	<u>Family</u>	
Members per contract		1	2	3.938	
BRV:	<i>Plan A</i>	0.9293	1.5705	2.2861	A1
	<i>Plan B</i>	1.0117	2.0234	2.7316	B1
Projected Claims:	<i>Plan A</i>	\$355.42	\$600.67	\$874.34	A2 =A1*v
	<i>Plan B</i>	\$386.94	\$773.88	\$1,044.73	B2 =B1*v
Projected Capitation:	<i>Plan A</i>	\$8.79	\$9.59	\$19.17	A3
	<i>Plan B</i>	\$9.16	\$10.19	\$20.37	B3
Net Cost of Reinsurance:	<i>Plan A</i>	\$6.71	\$6.82	\$13.65	A4
	<i>Plan B</i>	\$6.71	\$6.82	\$13.65	B4
Projected Rx Rebate:	<i>Plan A</i>	\$1.53	\$1.53	\$3.06	A5
	<i>Plan B</i>	\$4.67	\$4.67	\$9.34	B5
Administrative Charge		\$45.00	\$53.17	\$106.34	C
Commission (% premium)		4.00%			D
Contribution to Reserve		2.00%			E
Required Premium:	<i>Plan A</i>	\$450.50	\$783.79	\$1,208.83	F1 =(A2+A3+A4-A5+C)/(1-D-E)
	<i>Plan B</i>	\$481.33	\$962.66	\$1,366.30	F2 =(B2+B3+B4-B5+C)/(1-D-E)

	Employee Age	Age/Gender Factor
Male (Employees & Spouses)	To 25	0.344
	25 - 29	0.389
	30 - 34	0.459
	35 - 39	0.560
	40 - 44	0.694
	45 - 49	0.899
	50 - 54	1.192
	55 - 59	1.575
	60 - 64	2.029
	65+	2.753
Female (Employees & Spouses)	To 25	0.710
	25 - 29	0.890
	30 - 34	0.984
	35 - 39	0.955
	40 - 44	0.974
	45 - 49	1.103
	50 - 54	1.324
	55 - 59	1.564
	60 - 64	1.877
	65+	2.476
Child	Child Age	
	0 - 1	1.250
	2 - 6	0.280
	7 - 18	0.312

4 Digit SIC Code	Industry Description	Normalized Factor
912	Finfish	1.162
913	Shellfish	1.162
919	Miscellaneous Marine Products	1.162
921	Fish Hatcheries and Preserves	1.162
971	Hunting and Trapping, and Game Propagation	1.162
1011	Iron Ores	1.201
1012	Iron Ores	1.211
1013	Iron Ores	1.211
1014	Iron Ores	1.211
1015	Iron Ores	1.211
1016	Iron Ores	1.211
1017	Iron Ores	1.211
1018	Iron Ores	1.211
1019	Iron Ores	1.211
1020	Iron Ores	1.211
1021	Copper Ores	1.201
1022	Copper Ores	1.211
1023	Copper Ores	1.211
1024	Copper Ores	1.211
1025	Copper Ores	1.211
1026	Copper Ores	1.211
1027	Copper Ores	1.211
1028	Copper Ores	1.211
1029	Copper Ores	1.211
1030	Copper Ores	1.211
1031	Lead and Zinc Ores	1.201
1032	Lead and Zinc Ores	1.211
1033	Lead and Zinc Ores	1.211
1034	Lead and Zinc Ores	1.211
1035	Lead and Zinc Ores	1.211
1036	Lead and Zinc Ores	1.211
1037	Lead and Zinc Ores	1.211
1038	Lead and Zinc Ores	1.211
1039	Lead and Zinc Ores	1.211
1040	Lead and Zinc Ores	1.211
1041	Gold Ores	1.201
1042	Gold Ores	1.211
1043	Gold Ores	1.211
1044	Silver Ores	1.201
1045	Silver Ores	1.211
1046	Silver Ores	1.211
1047	Silver Ores	1.211
1048	Silver Ores	1.211
1049	Silver Ores	1.211
1050	Silver Ores	1.211
1051	Silver Ores	1.211
1052	Silver Ores	1.211
1053	Silver Ores	1.211
1054	Silver Ores	1.211
1055	Silver Ores	1.211
1056	Silver Ores	1.211
1057	Silver Ores	1.211
1058	Silver Ores	1.211
1059	Silver Ores	1.211
1060	Silver Ores	1.211
1061	Ferroalloy Ores, Except Vanadium	1.201
1062	Ferroalloy Ores, Except Vanadium	1.211
1063	Ferroalloy Ores, Except Vanadium	1.211
1064	Ferroalloy Ores, Except Vanadium	1.211
1065	Ferroalloy Ores, Except Vanadium	1.211
1066	Ferroalloy Ores, Except Vanadium	1.211

1067 Ferroalloy Ores, Except Vanadium	1.211
1068 Ferroalloy Ores, Except Vanadium	1.211
1069 Ferroalloy Ores, Except Vanadium	1.211
1070 Ferroalloy Ores, Except Vanadium	1.211
1071 Ferroalloy Ores, Except Vanadium	1.211
1072 Ferroalloy Ores, Except Vanadium	1.211
1073 Ferroalloy Ores, Except Vanadium	1.211
1074 Ferroalloy Ores, Except Vanadium	1.211
1075 Ferroalloy Ores, Except Vanadium	1.211
1076 Ferroalloy Ores, Except Vanadium	1.211
1077 Ferroalloy Ores, Except Vanadium	1.211
1078 Ferroalloy Ores, Except Vanadium	1.211
1079 Ferroalloy Ores, Except Vanadium	1.211
1080 Ferroalloy Ores, Except Vanadium	1.211
1081 Metal Mining Services	1.201
1082 Metal Mining Services	1.211
1083 Metal Mining Services	1.211
1084 Metal Mining Services	1.211
1085 Metal Mining Services	1.211
1086 Metal Mining Services	1.211
1087 Metal Mining Services	1.211
1088 Metal Mining Services	1.211
1089 Metal Mining Services	1.211
1090 Metal Mining Services	1.211
1091 Metal Mining Services	1.211
1092 Metal Mining Services	1.211
1093 Metal Mining Services	1.211
1094 Uranium-Radium-Vanadium Ores	1.201
1095 Uranium-Radium-Vanadium Ores	1.211
1096 Uranium-Radium-Vanadium Ores	1.211
1097 Uranium-Radium-Vanadium Ores	1.211
1098 Uranium-Radium-Vanadium Ores	1.211
1099 Miscellaneous Metal Ores, NEC	1.201
1100 Miscellaneous Metal Ores, NEC	1.211
1101 Miscellaneous Metal Ores, NEC	1.211
1102 Miscellaneous Metal Ores, NEC	1.211
1103 Miscellaneous Metal Ores, NEC	1.211
1104 Miscellaneous Metal Ores, NEC	1.211
1105 Miscellaneous Metal Ores, NEC	1.211
1106 Miscellaneous Metal Ores, NEC	1.211
1107 Miscellaneous Metal Ores, NEC	1.211
1108 Miscellaneous Metal Ores, NEC	1.211
1109 Miscellaneous Metal Ores, NEC	1.211
1110 Miscellaneous Metal Ores, NEC	1.211
1111 Miscellaneous Metal Ores, NEC	1.211
1112 Miscellaneous Metal Ores, NEC	1.211
1113 Miscellaneous Metal Ores, NEC	1.211
1114 Miscellaneous Metal Ores, NEC	1.211
1115 Miscellaneous Metal Ores, NEC	1.211
1116 Miscellaneous Metal Ores, NEC	1.211
1117 Miscellaneous Metal Ores, NEC	1.211
1118 Miscellaneous Metal Ores, NEC	1.211
1119 Miscellaneous Metal Ores, NEC	1.211
1120 Miscellaneous Metal Ores, NEC	1.211
1121 Miscellaneous Metal Ores, NEC	1.211
1122 Miscellaneous Metal Ores, NEC	1.211
1123 Miscellaneous Metal Ores, NEC	1.211
1124 Miscellaneous Metal Ores, NEC	1.211
1125 Miscellaneous Metal Ores, NEC	1.211
1126 Miscellaneous Metal Ores, NEC	1.211
1127 Miscellaneous Metal Ores, NEC	1.211
1128 Miscellaneous Metal Ores, NEC	1.211
1129 Miscellaneous Metal Ores, NEC	1.211
1130 Miscellaneous Metal Ores, NEC	1.211

[illegible]

1195 Miscellaneous Metal Ores, NEC	1.211
1196 Miscellaneous Metal Ores, NEC	1.211
1197 Miscellaneous Metal Ores, NEC	1.211
1198 Miscellaneous Metal Ores, NEC	1.211
1199 Miscellaneous Metal Ores, NEC	1.211
1200 Miscellaneous Metal Ores, NEC	1.211
1201 Miscellaneous Metal Ores, NEC	1.211
1202 Miscellaneous Metal Ores, NEC	1.211
1203 Miscellaneous Metal Ores, NEC	1.211
1204 Miscellaneous Metal Ores, NEC	1.211
1205 Miscellaneous Metal Ores, NEC	1.211
1206 Miscellaneous Metal Ores, NEC	1.211
1207 Miscellaneous Metal Ores, NEC	1.211
1208 Miscellaneous Metal Ores, NEC	1.211
1209 Miscellaneous Metal Ores, NEC	1.211
1210 Miscellaneous Metal Ores, NEC	1.211
1211 Miscellaneous Metal Ores, NEC	1.211
1212 Miscellaneous Metal Ores, NEC	1.211
1213 Miscellaneous Metal Ores, NEC	1.211
1214 Miscellaneous Metal Ores, NEC	1.211
1215 Miscellaneous Metal Ores, NEC	1.211
1216 Miscellaneous Metal Ores, NEC	1.211
1217 Miscellaneous Metal Ores, NEC	1.211
1218 Miscellaneous Metal Ores, NEC	1.211
1219 Miscellaneous Metal Ores, NEC	1.211
1220 Miscellaneous Metal Ores, NEC	1.211
1221 Bituminous Coal and Lignite Surface Mining	1.181
1222 Bituminous Coal Underground Mining	1.181
1223 Bituminous Coal Underground Mining	1.181
1224 Bituminous Coal Underground Mining	1.181
1225 Bituminous Coal Underground Mining	1.181
1226 Bituminous Coal Underground Mining	1.181
1227 Bituminous Coal Underground Mining	1.181
1228 Bituminous Coal Underground Mining	1.181
1229 Bituminous Coal Underground Mining	1.181
1230 Bituminous Coal Underground Mining	1.181
1231 Anthracite Mining	1.181
1232 Anthracite Mining	1.181
1233 Anthracite Mining	1.181
1234 Anthracite Mining	1.181
1235 Anthracite Mining	1.181
1236 Anthracite Mining	1.181
1237 Anthracite Mining	1.181
1238 Anthracite Mining	1.181
1239 Anthracite Mining	1.181
1240 Anthracite Mining	1.181
1241 Coal Mining Services	1.181
1411 Dimension Stone	1.162
1412 Dimension Stone	1.143
1413 Dimension Stone	1.143
1414 Dimension Stone	1.143
1415 Dimension Stone	1.143
1416 Dimension Stone	1.143
1417 Dimension Stone	1.143
1418 Dimension Stone	1.143
1419 Dimension Stone	1.143
1420 Dimension Stone	1.143
1421 Dimension Stone	1.143
1422 Crushed and Broken Limestone	1.162
1423 Crushed and Broken Granite	1.162
1424 Crushed and Broken Granite	1.143
1425 Crushed and Broken Granite	1.143
1426 Crushed and Broken Granite	1.143
1427 Crushed and Broken Granite	1.143

1428 Crushed and Broken Granite	1.143
1429 Crushed and Broken Stone, NEC	1.162
1430 Crushed and Broken Stone, NEC	1.143
1431 Crushed and Broken Stone, NEC	1.143
1432 Crushed and Broken Stone, NEC	1.143
1433 Crushed and Broken Stone, NEC	1.143
1434 Crushed and Broken Stone, NEC	1.143
1435 Crushed and Broken Stone, NEC	1.143
1436 Crushed and Broken Stone, NEC	1.143
1437 Crushed and Broken Stone, NEC	1.143
1438 Crushed and Broken Stone, NEC	1.143
1439 Crushed and Broken Stone, NEC	1.143
1440 Crushed and Broken Stone, NEC	1.143
1441 Crushed and Broken Stone, NEC	1.143
1442 Construction Sand and Gravel	1.162
1443 Construction Sand and Gravel	1.143
1444 Construction Sand and Gravel	1.143
1445 Construction Sand and Gravel	1.143
1446 Industrial Sand	1.162
1447 Industrial Sand	1.143
1448 Industrial Sand	1.143
1449 Industrial Sand	1.143
1450 Industrial Sand	1.143
1451 Industrial Sand	1.143
1452 Industrial Sand	1.143
1453 Industrial Sand	1.143
1454 Industrial Sand	1.143
1455 Kaolin and Ball Clay	1.162
1456 Kaolin and Ball Clay	1.143
1457 Kaolin and Ball Clay	1.143
1458 Kaolin and Ball Clay	1.143
1459 Clay, Ceramic, and Refractory Minerals, NEC	1.162
1460 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1461 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1462 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1463 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1464 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1465 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1466 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1467 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1468 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1469 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1470 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1471 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1472 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1473 Clay, Ceramic, and Refractory Minerals, NEC	1.143
1474 Potash, Soda, and Borate Minerals	1.162
1475 Phosphate Rock	1.162
1476 Phosphate Rock	1.143
1477 Phosphate Rock	1.143
1478 Phosphate Rock	1.143
1479 Chemical and Fertilizer Mineral Mining, NEC	1.162
1480 Chemical and Fertilizer Mineral Mining, NEC	1.143
1481 Nonmetallic Minerals Services Except Fuels	1.162
1482 Nonmetallic Minerals Services Except Fuels	1.143
1483 Nonmetallic Minerals Services Except Fuels	1.143
1484 Nonmetallic Minerals Services Except Fuels	1.143
1485 Nonmetallic Minerals Services Except Fuels	1.143
1486 Nonmetallic Minerals Services Except Fuels	1.143
1487 Nonmetallic Minerals Services Except Fuels	1.143
1488 Nonmetallic Minerals Services Except Fuels	1.143
1489 Nonmetallic Minerals Services Except Fuels	1.143
1490 Nonmetallic Minerals Services Except Fuels	1.143
1491 Nonmetallic Minerals Services Except Fuels	1.143

1492 Nonmetallic Minerals Services Except Fuels	1.143
1493 Nonmetallic Minerals Services Except Fuels	1.143
1494 Nonmetallic Minerals Services Except Fuels	1.143
1495 Nonmetallic Minerals Services Except Fuels	1.143
1496 Nonmetallic Minerals Services Except Fuels	1.143
1497 Nonmetallic Minerals Services Except Fuels	1.143
1498 Nonmetallic Minerals Services Except Fuels	1.143
1499 Miscellaneous Nonmetallic Minerals, Except Fuels	1.162
2331 Women's, Misses', and Juniors' Blouses and Shirts	0.897
2892 Explosives	1.132
3111 Leather Tanning and Finishing	1.132
3292 Asbestos Products	1.162
3612 Power, Distribution, and Specialty Transformers	0.916
3613 Switchgear and Switchboard Apparatus	0.916
3621 Motors and Generators	0.916
3622 Motors and Generators	0.916
3623 Motors and Generators	0.916
3624 Carbon and Graphite Products	0.916
3625 Relays and Industrial Controls	0.916
3626 Relays and Industrial Controls	0.916
3627 Relays and Industrial Controls	0.916
3628 Relays and Industrial Controls	0.916
3629 Electrical Industrial Apparatus, NEC	0.916
3630 Electrical Industrial Apparatus, NEC	0.916
3631 Household Cooking Equipment	0.916
3632 Household Refrigerators and Home and Farm Freezers	0.916
3633 Household Laundry Equipment	0.916
3634 Electric Housewares and Fans	0.916
3635 Household Vacuum Cleaners	0.916
3636 Household Vacuum Cleaners	0.916
3637 Household Vacuum Cleaners	0.916
3638 Household Vacuum Cleaners	0.916
3639 Household Appliances, NEC	0.916
3640 Household Appliances, NEC	0.916
3641 Electric Lamp Bulbs and Tubes	0.916
3642 Electric Lamp Bulbs and Tubes	0.916
3643 Current-Carrying Wiring Devices	0.916
3644 Noncurrent-Carrying Wiring Devices	0.916
3645 Residential Electric Lighting Fixtures	0.916
3646 Commercial, Industrial, and Institutional Electric Lighting Fixtures	0.916
3647 Vehicular Lighting Equipment	0.916
3648 Lighting Equipment, NEC	0.916
3651 Household Audio and Video Equipment	0.916
3652 Phonograph Records and Prerecorded Audio Tapes and Disks	0.916
3822 Automatic Controls for Regulating Residential and Commercial Environments and Appliances	0.906
3823 Industrial Instruments for Measurement, Display, and Control of Process Variables; and Related Products	0.897
3841 Physicians & Surgeons Equipment & Supplies Manufacturers	0.906
3842 Orthopedic, Prosthetic, and Surgical Appliances and Supplies	0.906
3843 Dental Equipment and Supplies	0.906
3844 X-Ray Apparatus and Tubes and Related Irradiation Apparatus	0.906
3845 Electromedical and Electrotherapeutic Apparatus	0.906
3851 Ophthalmic Goods	0.906
3861 Photographic Equipment and Supplies	0.906
3873 Watches, Clocks, Clockwork Operated Devices and Parts	0.906
4111 Local and Suburban Transit	1.113
4112 Local and Suburban Transit	1.103
4113 Local and Suburban Transit	1.103
4114 Local and Suburban Transit	1.103
4115 Local and Suburban Transit	1.103
4116 Local and Suburban Transit	1.103
4117 Local and Suburban Transit	1.103
4118 Local and Suburban Transit	1.103
4119 Local Passenger Transportation, NEC	1.113
4121 Taxicabs	1.132

4131 Intercity and Rural Bus Transportation	1.113
4141 Local Bus Charter Service	1.103
4142 Bus Charter Service, Except Local	1.113
4151 School Buses	1.113
4231 Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation	1.123
5812 Eating and Drinking Places	1.132
5813 Drinking Places (Alcoholic Beverages)	1.132
5921 Liquor Stores	1.172
5963 Direct Selling Establishments	1.123
6011 Federal Reserve Banks	0.897
6012 Federal Reserve Banks	0.897
6013 Federal Reserve Banks	0.897
6014 Federal Reserve Banks	0.897
6015 Federal Reserve Banks	0.897
6016 Federal Reserve Banks	0.897
6017 Federal Reserve Banks	0.897
6018 Federal Reserve Banks	0.897
6019 Central Reserve Depository Institutions, NEC	0.897
6020 Central Reserve Depository Institutions, NEC	0.897
6021 National Commercial Banks	0.897
6022 State Commercial Banks	0.897
6023 State Commercial Banks	0.897
6024 State Commercial Banks	0.897
6025 State Commercial Banks	0.897
6026 State Commercial Banks	0.897
6027 State Commercial Banks	0.897
6028 State Commercial Banks	0.897
6029 Commercial Banks, NEC	0.897
6030 Commercial Banks, NEC	0.897
6031 Commercial Banks, NEC	0.897
6032 Commercial Banks, NEC	0.897
6033 Commercial Banks, NEC	0.897
6034 Commercial Banks, NEC	0.897
6035 Savings Institutions, Federally Chartered	0.897
6036 Savings institutions, Not Federally Chartered	0.897
6037 Savings institutions, Not Federally Chartered	0.897
6038 Savings institutions, Not Federally Chartered	0.897
6039 Savings institutions, Not Federally Chartered	0.897
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6060 Savings institutions, Not Federally Chartered	0.897
6061 Credit Unions, Federally Chartered	0.897
6062 Credit Unions, Not Federally Chartered	0.897
6063 Credit Unions, Not Federally Chartered	0.897
6064 Credit Unions, Not Federally Chartered	0.897
6065 Credit Unions, Not Federally Chartered	0.897

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6078 Credit Unions, Not Federally Chartered	0.897
6079 Credit Unions, Not Federally Chartered	0.897
6080 Credit Unions, Not Federally Chartered	0.897
6081 Branches and Agencies of Foreign Banks	0.897
6082 Foreign Trade and International Banking Institutions	0.897
6083 Foreign Trade and International Banking Institutions	0.897
6084 Foreign Trade and International Banking Institutions	0.897
6085 Foreign Trade and International Banking Institutions	0.897
6086 Foreign Trade and International Banking Institutions	0.897
6087 Foreign Trade and International Banking Institutions	0.897
6088 Foreign Trade and International Banking Institutions	0.897
6089 Foreign Trade and International Banking Institutions	0.897
6090 Foreign Trade and International Banking Institutions	0.897
6091 Nondeposit Trust Facilities	0.897
6092 Nondeposit Trust Facilities	0.897
6093 Nondeposit Trust Facilities	0.897
6094 Nondeposit Trust Facilities	0.897
6095 Nondeposit Trust Facilities	0.897
6096 Nondeposit Trust Facilities	0.897
6097 Nondeposit Trust Facilities	0.897
6098 Nondeposit Trust Facilities	0.897
6099 Functions Related to Deposit Banking, NEC	0.897
6100 Functions Related to Deposit Banking, NEC	0.906
6101 Functions Related to Deposit Banking, NEC	0.906
6102 Functions Related to Deposit Banking, NEC	0.906
6103 Functions Related to Deposit Banking, NEC	0.906
6104 Functions Related to Deposit Banking, NEC	0.906
6105 Functions Related to Deposit Banking, NEC	0.906
6106 Functions Related to Deposit Banking, NEC	0.906
6107 Functions Related to Deposit Banking, NEC	0.906
6108 Functions Related to Deposit Banking, NEC	0.906
6109 Functions Related to Deposit Banking, NEC	0.906
6110 Functions Related to Deposit Banking, NEC	0.906
6111 Federal and Federally-Sponsored Credit Agencies	0.906
6112 Federal and Federally-Sponsored Credit Agencies	0.906
6113 Federal and Federally-Sponsored Credit Agencies	0.906
6114 Federal and Federally-Sponsored Credit Agencies	0.906
6115 Federal and Federally-Sponsored Credit Agencies	0.906
6116 Federal and Federally-Sponsored Credit Agencies	0.906
6117 Federal and Federally-Sponsored Credit Agencies	0.906
6118 Federal and Federally-Sponsored Credit Agencies	0.906
6119 Federal and Federally-Sponsored Credit Agencies	0.906
6120 Federal and Federally-Sponsored Credit Agencies	0.906
6121 Federal and Federally-Sponsored Credit Agencies	0.906
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6129 Federal and Federally-Sponsored Credit Agencies	0.906

6130 Federal and Federally-Sponsored Credit Agencies	0.906
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6132 Federal and Federally-Sponsored Credit Agencies	0.906
6133 Federal and Federally-Sponsored Credit Agencies	0.906
6134 Federal and Federally-Sponsored Credit Agencies	0.906
6135 Federal and Federally-Sponsored Credit Agencies	0.906
6136 Federal and Federally-Sponsored Credit Agencies	0.906
6137 Federal and Federally-Sponsored Credit Agencies	0.906
6138 Federal and Federally-Sponsored Credit Agencies	0.906
6139 Federal and Federally-Sponsored Credit Agencies	0.906
6140 Federal and Federally-Sponsored Credit Agencies	0.906
6141 Personal Credit Institutions	0.906
6142 Personal Credit Institutions	0.906
6143 Personal Credit Institutions	0.906
6144 Personal Credit Institutions	0.906
6145 Personal Credit Institutions	0.906
6146 Personal Credit Institutions	0.906
6147 Personal Credit Institutions	0.906
6148 Personal Credit Institutions	0.906
6149 Personal Credit Institutions	0.906
6150 Personal Credit Institutions	0.906
6151 Personal Credit Institutions	0.906
6152 Personal Credit Institutions	0.906
6153 Short-Term Business Credit Institutions, Except Agricultural	0.897
6154 Short-Term Business Credit Institutions, Except Agricultural	0.906
6155 Short-Term Business Credit Institutions, Except Agricultural	0.906
6156 Short-Term Business Credit Institutions, Except Agricultural	0.906
6157 Short-Term Business Credit Institutions, Except Agricultural	0.906
6158 Short-Term Business Credit Institutions, Except Agricultural	0.906
6159 Miscellaneous Business Credit Institutions	0.906
6160 Miscellaneous Business Credit Institutions	0.906
6161 Miscellaneous Business Credit Institutions	0.906
6162 Mortgage Bankers and Loan Correspondents	0.906
6163 Loan Brokers	0.906
7911 Dance Studios, Schools, and Halls	1.172
8051 Skilled Nursing Care Facilities	1.162
8059 Nursing and Personal Care Facilities, Not Elsewhere Classified	1.162
8062 General Medical and Surgical Hospitals	1.162
8063 Psychiatric Hospitals	1.162
8064 Psychiatric Hospitals	1.162
8065 Psychiatric Hospitals	1.162
8066 Psychiatric Hospitals	1.162
8067 Psychiatric Hospitals	1.162
8068 Psychiatric Hospitals	1.162
8082 Home Health Care Services	1.162
8092 Kidney Dialysis Centers	1.162
8093 Specialty Outpatient Facilities, Not Elsewhere Classified	1.162
8069 Specialty Hospitals, Except Psychiatric	1.162
8322 Individual and Family Social Services	1.123
Municipalities	1.123
9221 Police Protection	1.123
9223 Correctional Institutions	1.123
9224 Fire Protection	1.123
9711 National Security	1.103
Var. All Other	0.985

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing		
Project Name/Number:	/		

Filing at a Glance

Company:	TVHP
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing
State:	Vermont
TOI:	ML02 - Multi-Line - Other
Sub-TOI:	ML02.0000 - Multi-Line - Other
Filing Type:	Trend / Admin Charge
Date Submitted:	12/31/2012
SERFF Tr Num:	BCVT-128829695
SERFF Status:	Closed-Approved
State Tr Num:	63890
State Status:	Approved
Co Tr Num:	
Co Status:	
Implementation	On Approval
Date Requested:	
Author(s):	Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
Reviewer(s):	Sean Londergan (primary)
Disposition Date:	05/01/2013
Disposition Status:	Approved
Implementation Date:	04/01/2013

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP 2Q 2013 Benefit Relativity Factor Filing
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Employer, Association Overall Rate Impact:
Filing Status Changed: 05/01/2013 Company Status Changed:
State Status Changed: 05/01/2013 Deemer Date:
Created By: Jude Daye Submitted By: Pam Young
Corresponding Filing Tracking Number:

Filing Description:
December 27, 2012

Phil Keller
Director of Insurance Rates and Forms
Vermont Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

SUBJECT: The Vermont Health Plan – NAIC # 95696
Q2 2013 Benefit Relativity Factor Filing

Dear Mr. Keller:

We are submitting for your review and approval benefit relativity factors for The Vermont Health Plan (TVHP). It is our desire to use these factors in the rating of TVHP large group products, for business that is new or renewing in the second quarter of 2013 or later.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Kevin Goddard

cc: Tammy Tomczyk/Oliver Wyman
Sean Londergan/BISHCA
Ruth Greene/BCBSVT
Vince Mace/BCBSVT
Donna Lee/BCBSVT

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant dayej@bcbsvt.com

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP 2Q 2013 Benefit Relativity Factor Filing
Project Name/Number: /

445 Industrial Lane 802-371-3244 [Phone]
Montpelier, VT 05601

Filing Company Information

TVHP CoCode: 95696 State of Domicile: Vermont
PO BOX 186 Group Code: Company Type: HMO
Montpelier, VT 05601 Group Name: State ID Number:
(802) 371-3450 ext. [Phone] FEIN Number: 03-0354356

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: Yes

Company	Amount	Date Processed	Transaction #
TVHP	\$50.00	12/31/2012	66118424

SERFF Tracking #:	BCVT-128829695	State Tracking #:	63890	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing				
Project Name/Number:	/				

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Sean Londergan	05/01/2013	05/01/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Rate Filing Deemed Complete	Note To Filer	Sean Londergan	02/14/2013	02/14/2013

SERFF Tracking #:	BCVT-128829695	State Tracking #:	63890	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing				
Project Name/Number:	/				

Disposition

Disposition Date: 05/01/2013

Implementation Date: 04/01/2013

Status: Approved

Comment: Per 8 V.S.A. §4062(a)(2)(B) the Green Mountain Care Board is deemed to have approved the company's filing.

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Filing Compliance Certification		Yes
Supporting Document	Health Administrative Forms		Yes
Supporting Document	Health Filing Data		Yes
Supporting Document	Third Party Filing Authorization		Yes
Supporting Document	Table of Contents and Exhibits		Yes

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing		
Project Name/Number:	/		

Note To Filer

Created By:

Sean Londergan on 02/14/2013 10:43 AM

Last Edited By:

Sean Londergan

Submitted On:

02/14/2013 10:43 AM

Subject:

Rate Filing Deemed Complete

Comments:

This note is to advise the company that this rate filing has been deemed complete as of February 11, 2013 - meaning that the Department's 30-day review period for both filings runs through March 13, 2013.

Sean Londergan

Rate & Form Analyst

Department of Financial Regulation

SERFF Tracking #:	BCVT-128829695	State Tracking #:	63890	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing				
Project Name/Number:	/				

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	TVHP Q2 2013 BRV Filing - Actuarial Memorandum.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Filing Complicance Certification.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Health Administrative Forms
Comments:	
Attachment(s):	F106 Form 2Q 2013 TVHP Benefit Relativity Filing.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Health Filing Data
Bypass Reason:	Our variability data is filed with our outline of coverage filings.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	Our variability data is filed with our outline of coverage filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Table of Contents and Exhibits
Comments:	
Attachment(s):	TVHP Q2 2013 BRV Filing - Table of Contents.pdf TVHP Q2 2013 BRV Filing - Exhibits.pdf
Item Status:	

SERFF Tracking #:	BCVT-128829695	State Tracking #:	63890	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2Q 2013 Benefit Relativity Factor Filing				
Project Name/Number:	/				

Status Date:	
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The Vermont Health Plan Q2 2013 Benefit Relativity Methodology Actuarial Memorandum

Purpose

The purpose of this narrative is to describe the methodology for determining a common set of benefit relativities for the rating of The Vermont Health Plan (TVHP) plans. It is our desire to use the relativity factors derived from this methodology, and displayed in the exhibits, for the rating of large group business that is new or renewing in the second quarter of 2013 or later.

Overview

To determine standardized pure premium rate relationships, also called relativities¹, TVHP has created models that simulate the impact of member benefits for the following types of plans: BlueCare LO Options (BCLO), Open Access (OAP), BlueCare (HMO), BlueCare Options (POS), Consumer Driven Health Plans (CDHP's) and Prescriptions Drugs. The models determine the allowed charges for the latest complete calendar year included in the study, and "re-adjudicate" the claims, thereby simulating the impact of member cost sharing for a given benefit plan.

Claims data has been taken from Blue Cross and Blue Shield of Vermont's² (BCBSVT) data warehouse. The starting point of the analysis is allowed charges as determined by the BCBSVT claims adjudication system. The claims data includes benefit codes that enable us to identify the services and benefit structures (copays, deductibles, and coinsurance).

For each benefit plan of interest, the models produced simulated PMPM values of the benefits. The model then applies utilization adjustment factors to account for the expected benefit induced utilization. One plan has been chosen as the "base" plan. The utilization-adjusted PMPM for each plan was then divided by the base plan PMPM to produce its relativity. Relativities are included for medical only plans, Rx only plans, and CDHP plans.

The chosen base plan is:

Medical: HMO \$50 Office Visit, \$2,500 combined hospital deductible, \$200 ER, \$150 Ambulance

Rx: \$100 Deductible, \$5/\$25/\$50 Copays, Diabetic Supplies Same as Any Other, Lifestyle Exclusion Rider, Mail Order 2.5x, \$1,250 OOP

The relativity factors will be used only to adjust the relativities between benefit plans. Tier factors for the various contract types (e.g. Single, Two-Person, Family) are not affected by this analysis. The relativities also will not affect the overall expected claims level, which will be determined by the usual experience renewal calculation for each piece of business.

¹ It is our intention that the relativities will be applied to the Projected Standard Plan Single Claims Rate, as outlined in the to-be-filed TVHP Group Merit Rating Program filing.

² For purposes of this filing, "BCBSVT" refers to both "BCBSVT/TVHP", since the data warehouse and claims processing systems span both entities.

**The Vermont Health Plan
Q2 2013 Benefit Relativity Methodology
Actuarial Memorandum**

Medical vs. Pharmacy Weight

The ratio of medical to drug allowed charges, based on the latest experience and trends, is as follows:

	<u>Medical</u>	<u>Pharmacy</u>
Weights	0.821	0.179

These medical-pharmacy weights are reflected in the final benefit relative values.

Medical Benefit Model Details

1. Incurred allowed charges from 2011, paid through July 2012, were used. The charges were trended to July 1, 2014. This date is the midpoint of the 12-month period that begins January 1, 2014. (The majority of the business that will be renewed with these factors has a January 1 renewal date.)
2. The claims from TVHP Group business are included in the analysis; individual lines of business claims have been excluded. Claims from large groups with special benefits have also been excluded. Only plans with both medical and pharmacy benefits are included.
3. The HMO, POS, BCLO and OAP models use claims experience and member months from all TVHP products, including CDHP products.
4. The claims were categorized according to how benefits are paid. Claims were separated into office copay, inpatient, outpatient surgery, ER, ambulance and preventive care categories. Claims were split for In-Network and Out-of-Network benefits, if applicable.
5. Continuance tables were then created to model the impact of deductibles and out-of-pocket maximums. Cost/Frequency tables were created to model the impact of copays.
6. The following medical-only models were created: HMO, POS, BCLO and OAP.

Pharmacy Benefit Model Details

1. Incurred allowed drug charges from 2011, paid through July 2012, were used. As with the Medical Benefit Model, the charges were trended to July 1, 2014.
2. The claims included are from BCBSVT Insured Group, BCBSVT Self Funded and TVHP business. Claims experience from Individual lines of business has been excluded from the analysis. Claims from large groups with special benefits have also been excluded. Only plans with both medical and pharmacy benefits are included.

**The Vermont Health Plan
Q2 2013 Benefit Relativity Methodology
Actuarial Memorandum**

3. Within the model, scripts are assigned to one of six categories:
 - Retail Generic • Retail Preferred Brand • Retail Non-Preferred Brand
 - Mail Generic • Mail Preferred Brand • Mail Non-Preferred Brand
4. Cost/Frequency tables were created for the six categories to model the impact of copays and coinsurance. The model assumes that the member will pay the lesser of the allowed charge of the prescription or the amount of their copay.
5. A continuance table was used to assess the impact of deductibles and out-of-pocket maximums. With Vermont Act 171, all pharmacy benefits will have an OOPM of \$1,250 during 2013. It is expected that this limit will increase to a yet unknown amount, following the IRC rules for Health Savings Account and High Deductible Plans, in 2014.
6. **Options for the Drug Cards**
 - a. Diabetic Supplies:
 - Diabetic supplies are covered at 100%, with no member cost-sharing
 - Diabetic supplies are subject to the same member cost shares as any other Rx (SAAO)
 - b. Mail Order Drugs (90 day supply):
 - Member cost sharing is 2.0X retail cost sharing
 - Member cost sharing is 2.5X retail cost sharing
 - c. Lifestyle Exclusion Rider:
 - Lifestyle drugs are included and member cost-sharing is the same as any other drug
 - Lifestyle drugs are excluded
 - d. Women's Wellness
 - If the plan is subject to the preventive care provisions of the Affordable Care Act (or has elected to comply with those provisions), then contraceptives are covered at 100%
 - If the plan is not subject to the preventive care provisions of the Affordable Care Act, then member cost sharing will apply the same as any other prescription

CDHP Benefit Model Details

1. Incurred allowed charges from 2011, paid through July 2012, were used. The charges were trended to July 1, 2014. This date is the midpoint of the 12-month period that begins January 1, 2014. (The majority of the business that will be renewed with these factors has a January 1 renewal date.)
2. The claims from TVHP Group business are included in the analysis; Individual lines of business claims have been excluded. Claims from large groups with

**The Vermont Health Plan
Q2 2013 Benefit Relativity Methodology
Actuarial Memorandum**

special benefits have also been excluded. Only plans with both medical and pharmacy benefits are included.

3. The CDHP model uses claims experience and member months from all TVHP products.
4. **Rx Options in CDHP Model**
 - a. Wellness drugs (Safe Harbor Drugs) can be provided on a first-dollar basis, i.e. they are not subject to the integrated deductible.
 - b. After the integrated deductible is satisfied, pharmacy claims (including wellness) can have unique cost-sharing benefits until the integrated out-of-pocket maximum is satisfied.
 - c. The model assumes that all CDHP benefits will comply with Vermont Act 171, which limits a member's pharmacy out-of-pocket to \$1,250 during 2013. It is expected that this limit will increase to a yet unknown amount, following the IRC rules for Health Savings Account and High Deductible Plans, in 2014.
5. A "claim-by-claim" re-adjudication model assesses the impact of CDHP deductibles, out-of-pocket maximums and no cost-share preventive care (ACA) services with various wellness benefits and Act 171 limitations incorporated.

Utilization Adjustment

1. A separate analysis was done which organized claims data by plan type and benefit design (deductible-based, copay-based, CDHP and pharmacy).
2. Utilization adjustment factors were developed for each benefit design, using the paid-to-allowed ratio to adjust up or down from the base simulated PMPM. These utilization factors are shown in Exhibits I, II and III, along with the benefit relativities.

Applying the Relativities

Once the TVHP Group Merit Rating Program filing has been submitted and approved, the benefit relativities will be used in accordance with that filing.

If there is a future need for relativities for benefit designs that are not displayed in the Exhibits³, we will use the methodology described in this filing to simulate the impact of the benefits and relate the resulting PMPM's to the base PMPM.

³ An example of this is the need for new relativities with the announcement of the 2014 IRC rules for Health Savings Account and High Deductible Plans, since the 2014 drug out-of-pocket limit under Vermont Act 171 will change accordingly.

**The Vermont Health Plan
Q2 2013 Benefit Relativity Methodology
Actuarial Memorandum**

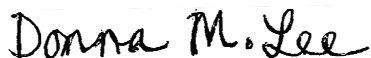
Actuarial Opinion

The purpose of this filing is to develop benefit relative value factors for use in rating TVHP small group and large group business. This filing is not intended to be used for other purposes.

The data used in this analysis has been reviewed for reasonableness and consistency; however, it has not been audited.

It is my opinion that, in aggregate, the benefit relative value factors presented in this filing fall within a range of reasonable trend values. They will produce premium rates that are reasonable in relation to the benefits provided, adequate, not excessive, and not unfairly discriminatory.


I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's Qualification Standards to render this opinion.




Donna M. Lee, F.S.A., M.A.A.A.

December 20, 2012

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont



Kevin Goddard
Vice President, External Affairs and Sales

Date

Health Filing Form F106 (7/98)
Required Information for All Filings & the Fee

NAIC#: 95696
Company Name The Vermont Health Plan
Address: PO Box 186
City, State, Zip: Montpelier, VT 05601
Phone: 371-3450 Contact Person: Alison Partridge

Filing Contents: TVHP 2Q 2013 Benefit Relativity Factor Filing

- 1) New: ☒ Change: ☐
If a Change: Latest Approval Date _____ Vermont Filing #: _____
2) Rates: ☒ Forms: ☐ Rates & Forms: ☐
3) Policy: ☐ Contract: ☐ Amendment: ☐ Endorsement: ☐
Handbook: ☐ Rider: ☐ Certificate: ☐ Other: Outline
4) Individual: ☐ Small Group (1-50): ☐ Large Group (51+): ☐ All Groups: ☐

Type of Filing:

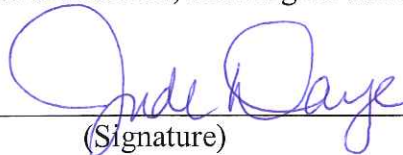
Accident Only: <input type="checkbox"/>	Dental: <input type="checkbox"/>	Miscellaneous: <input type="checkbox"/>
AD&D: <input type="checkbox"/>	Disability: <input type="checkbox"/>	Nursing Home Only: <input type="checkbox"/>
Advertising: <input type="checkbox"/>	Home Health Only: <input type="checkbox"/>	Organ Transplant: <input type="checkbox"/>
Blanket: <input type="checkbox"/>	Hospital Indemnity: <input type="checkbox"/>	Prescription Drug: <input type="checkbox"/>
Cancer Expense: <input type="checkbox"/>	Limited Benefit: <input type="checkbox"/>	Student/Athlete: <input type="checkbox"/>
Comprehensive/ Major Medical: <input type="checkbox"/>	Long Term Care: Qualified: <input type="checkbox"/>	Stop Loss/Excess Risk: <input type="checkbox"/>
Conversion: <input type="checkbox"/>	Non-Qualified: <input type="checkbox"/>	Travel: <input type="checkbox"/>
Critical Illness: <input type="checkbox"/>	Medicare Supplement: <input type="checkbox"/>	Vision: <input type="checkbox"/>
		Other: <u>Health</u> <input checked="" type="checkbox"/>

Mandatory - Filing Fee Information:

1. State of Domicile: Vermont
2. Amount of Fee: \$50.00
3. Is the Fee you are sending based on your state of domicile's retaliatory fee? Yes ☐ No ☒
4. Explain how each part of the Fee was determined, showing all calculation (use separate sheet if necessary). Vermont filing fee

5. Fee calculated by: Jude Daye
(Printed Name)

(Signature)



The Vermont Health Plan Q2 2013 Benefit Relativity Methodology Filing Table of Contents

Actuarial Memorandum

Exhibit I Relativities for BCLO and OAP Plans

Exhibit II Relativities for CDHP Plans

Exhibit III Relativities for HMO and POS Plans

Exhibit IV Relativities for Rx Plans

The Vermont Health Plan
Benefit Plan Relative Value Factors
BlueCare LO Options (BCLO) and Open Access (OAP) Medical Plans

index	Product	In-Network						Out-of-Network			PPACA Compliant	
		Deductible	Coinsurance	Out-of-Pocket	Office Copay	Specialist Copay	ER ¹ Copay	Deductible	Coinsurance	Out-of-Pocket	Utilization	Relativity
1	BCLO	\$2,500	20%	\$5,000	\$25	\$25					0.9341	0.6046
2	BCLO	\$5,000	0%	\$5,000	\$30	\$30					0.9139	0.5562
3	BCLO	\$2,500	0%	\$2,500	NA ²	NA ²					0.9568	0.6589
4	OAP	\$1,000	0%	\$1,000	\$20	\$20	\$100	\$2,000	40%	\$4,000	1.0210	0.8219
5	OAP	\$1,000	20%	\$2,000	\$20	\$20	\$100	\$2,000	40%	\$4,000	1.0028	0.7769
6	OAP	\$2,000	20%	\$4,000	\$30	\$30	\$100	\$4,000	40%	\$8,000	0.9665	0.6878
7	OAP	\$3,000	0%	\$3,000	\$30	\$30	\$100	\$5,000	40%	\$10,000	0.9690	0.6940
8	OAP	\$3,000	20%	\$5,000	\$30	\$30	\$250	\$5,000	40%	\$10,000	0.9474	0.6413

1. **ER Copay:** the displayed member copay goes toward the facility allowed charges. Associated physician and ancillary charges are the covered at 100%.
2. For the BCLO product, Office and Specialist Copay can be under the deductible.
3. BCLO does not have Out-of-Network benefits.

**The Vermont Health Plan
Benefit Plan Relative Value Factors
Consumer Driven Health Plans (CDHP's)**

index	Product	In-Network						Unlimited OOPM		\$1,200 OOPM		\$1,250 OOPM	
		Deductible	Coinsurance	Out-of-Pocket	RX OOPM Limit ³	Wellness Rx ¹	Drugs After Deductible ²	Utilization	Relativity	Utilization	Relativity	Utilization	Relativity
									Active		Active		Active
1	CDHP	\$1,500	0%	\$1,500	\$1,250	N/A	0%	0.9666	0.8977	0.9673	0.9070	0.9672	0.9066
2	CDHP	\$1,500	20%	\$2,500	\$1,250	N/A	20%	0.9505	0.8336	0.9514	0.8470	0.9513	0.8463
3	CDHP	\$1,500	10%	\$3,000	\$1,250	N/A	10%	0.9520	0.8399	0.9532	0.8539	0.9532	0.8532
4	CDHP	\$2,000	0%	\$2,000	\$1,250	N/A	0%	0.9539	0.8461	0.9554	0.8611	0.9553	0.8603
5	CDHP	\$2,000	20%	\$3,000	\$1,250	N/A	20%	0.9377	0.7881	0.9394	0.8066	0.9393	0.8058
6	CDHP	\$2,000	20%	\$3,500	\$1,250	N/A	10%/25%/25%	0.9325	0.7714	0.9348	0.7924	0.9346	0.7915
7	CDHP	\$2,250	0%	\$2,250	\$1,250	N/A	0%	0.9477	0.8231	0.9498	0.8411	0.9496	0.8402
8	CDHP	\$2,500	0%	\$3,500	\$1,250	N/A	\$10/\$30/\$50	0.9393	0.7856	0.9431	0.8151	0.9429	0.8138
9	CDHP	\$2,500	0%	\$2,500	\$1,250	N/A	0%	0.9417	0.8016	0.9443	0.8227	0.9442	0.8216
10	CDHP	\$2,500	10%	\$5,000	\$1,250	N/A	10%	0.9226	0.7402	0.9267	0.7677	0.9265	0.7666
11	CDHP	\$2,500	20%	\$3,500	\$1,250	N/A	20%	0.9255	0.7485	0.9283	0.7723	0.9281	0.7713
12	CDHP	\$3,000	0%	\$3,000	\$1,250	N/A	0%	0.9300	0.7623	0.9339	0.7894	0.9337	0.7883
13	CDHP	\$3,000	20%	\$4,000	\$1,250	N/A	20%	0.9139	0.7134	0.9179	0.7423	0.9177	0.7412
14	CDHP	\$3,000	20%	\$5,500	\$1,250	N/A	10%/25%/25%	0.9007	0.6768	0.9068	0.7122	0.9065	0.7110
15	CDHP	\$4,000	0%	\$4,000	\$1,250	N/A	0%	0.9078	0.6957	0.9145	0.7331	0.9143	0.7318
16	CDHP	\$5,000	0%	\$5,000	\$1,250	N/A	0%	0.8873	0.6407	0.8970	0.6865	0.8966	0.6852
17	CDHP	\$10,000	0%	\$10,000	\$1,250	N/A	0%	0.8745	0.4950	0.8933	0.5687	0.8929	0.5672
18	CDHP	\$2,000	20%	\$3,000	\$1,250	\$10/\$30/\$50	\$10/\$30/\$50	0.9371	0.7929	0.9386	0.8076	0.9385	0.8071
19	CDHP	\$2,500	0%	\$3,500	\$1,250	\$10/\$30/\$50	\$10/\$30/\$50	0.9383	0.7908	0.9413	0.8134	0.9412	0.8125
20	CDHP	\$2,500	0%	\$2,500	\$1,250	\$10/\$30/\$60	0%	0.9415	0.8080	0.9434	0.8241	0.9433	0.8235
21	CDHP	\$3,000	0%	\$4,000	\$1,250	\$10/\$30/\$50	\$10/\$30/\$50	0.9269	0.7549	0.9308	0.7812	0.9307	0.7802
22	CDHP	\$3,000	0%	\$3,000	\$1,250	\$10/\$30/\$50	0%	0.9301	0.7706	0.9329	0.7906	0.9328	0.7899
23	CDHP	\$5,950	0%	\$5,950	\$1,250	\$15/\$40/\$60	0%	0.8806	0.6166	0.8901	0.6547	0.8898	0.6537
24	CDHP	\$2,250	0%	\$2,250	\$1,250	0%	0%	0.9476	0.8324	0.9493	0.8466	0.9492	0.8460
25	CDHP	\$2,500	0%	\$3,500	\$1,250	0%	50%	0.9381	0.7891	0.9416	0.8151	0.9414	0.8141
26	CDHP	\$2,500	0%	\$3,500	\$1,250	0%	\$10/\$30/\$50	0.9395	0.7981	0.9423	0.8195	0.9422	0.8187
27	CDHP	\$2,500	0%	\$2,500	\$1,250	0%	0%	0.9418	0.8122	0.9438	0.8283	0.9437	0.8276
28	CDHP	\$2,500	20%	\$5,950	\$1,250	50%	50%	0.9042	0.6839	0.9102	0.7217	0.9100	0.7205
29	CDHP	\$3,000	0%	\$3,000	\$1,250	0%	0%	0.9305	0.7753	0.9334	0.7951	0.9333	0.7944
30	CDHP	\$4,000	0%	\$4,000	\$1,250	0%	0%	0.9095	0.7130	0.9143	0.7391	0.9141	0.7382
31	CDHP	\$5,000	0%	\$5,000	\$1,250	0%	0%	0.8902	0.6614	0.8971	0.6929	0.8969	0.6920
32	CDHP	\$5,000	0%	\$5,000	\$1,250	\$10/\$30/\$50	0%	0.8890	0.6549	0.8959	0.6874	0.8957	0.6864
33	CDHP	\$5,950	0%	\$5,950	\$1,250	0%	0%	0.8838	0.6264	0.8926	0.6626	0.8924	0.6617
34	CDHP	\$2,000	0%	\$2,000	\$1,250	\$5/40%/60%	0%	0.9536	0.8502	0.9548	0.8625	0.9547	0.8620
35	CDHP	\$2,000	20%	\$3,000	\$1,250	\$5/40%/60%	20%	0.9371	0.7915	0.9385	0.8073	0.9385	0.8066
36	CDHP	\$2,000	50%	\$5,950	\$1,250	\$0/50%/50%	50%	0.8926	0.6611	0.8974	0.6907	0.8972	0.6897
37	CDHP	\$2,250	0%	\$2,250	\$1,250	\$5/40%/60%	0%	0.9476	0.8279	0.9490	0.8422	0.9489	0.8416
38	CDHP	\$2,250	20%	\$3,250	\$1,250	\$5/40%/60%	20%	0.9311	0.7719	0.9329	0.7896	0.9328	0.7889
39	CDHP	\$2,450	10%	\$5,950	\$1,250	\$0/50%/50%	10%	0.9201	0.7378	0.9243	0.7644	0.9241	0.7635
40	CDHP	\$2,500	0%	\$2,500	\$1,250	\$5/40%/60%	0%	0.9416	0.8071	0.9435	0.8235	0.9434	0.8228
41	CDHP	\$2,500	20%	\$3,500	\$1,250	\$5/40%/60%	20%	0.9252	0.7535	0.9274	0.7731	0.9273	0.7724
42	CDHP	\$3,000	0%	\$3,000	\$1,250	\$5/40%/60%	0%	0.9301	0.7693	0.9329	0.7898	0.9327	0.7890
43	CDHP	\$3,000	20%	\$4,000	\$1,250	\$5/40%/60%	20%	0.9140	0.7200	0.9171	0.7432	0.9169	0.7424
44	CDHP	\$3,250	20%	\$4,250	\$1,250	\$5/40%/60%	20%	0.9085	0.7046	0.9122	0.7296	0.9120	0.7287
45	CDHP	\$4,000	20%	\$5,000	\$1,250	\$5/40%/60%	20%	0.8930	0.6629	0.8982	0.6926	0.8980	0.6917
46	CDHP	\$5,000	0%	\$5,000	\$1,250	\$5/40%/60%	0%	0.8886	0.6521	0.8957	0.6863	0.8955	0.6853
47	CDHP	\$5,950	0%	\$5,950	\$1,250	\$5/40%/60%	0%	0.8799	0.6149	0.8902	0.6552	0.8899	0.6541

- Wellness Rx:** if applicable, cost sharing rules apply *before* the deductible is satisfied.
The member's cost share for **Wellness Rx** accumulates toward the Out-of-Pocket Maximum.
- All other drugs** are subject to deductible. Once the deductible is met, drugs are subject to the **Drugs After Deductible** cost share until the Out-of-Pocket Maximum is met.
- The Rx OOPM Limit is as described in Vermont Act 171.

**The Vermont Health Plan
Benefit Plan Relative Value Factors
BlueCare (HMO) and BlueCare Options (POS) Medical Plans**

index	Product ¹	In-Network							Out-of-Network ²			PPACA Compliant	
		IP	OP	HOSP	PCP	SCP	ER	AMB	Deductible	Coinsurance	Out-of-Pocket	Utilization	Relativity
1	HMO			\$500	\$20	\$30	\$50	\$50				1.0579	0.9166
2	HMO			\$750	\$20	\$30	\$50	\$50				1.0547	0.9090
3	HMO			\$1,000	\$20	\$30	\$50	\$50				1.0517	0.9018
4	HMO			\$1,000	\$20	\$30	\$250	\$50				1.0469	0.8902
5	HMO			\$3,000	\$20	\$30	\$100	\$50				1.0291	0.8481
6	HMO	\$0	\$0		\$10	\$20	\$100	\$0				1.0695	0.9449
7	HMO	\$0	\$100		\$10	\$20	\$50	\$0				1.0694	0.9446
8	HMO	\$0	\$0		\$10	\$20	\$50	\$0				1.0700	0.9474
9	HMO	\$0	\$0		\$10	\$20	\$250	\$50				1.0658	0.9358
10	HMO	\$250	\$100		\$10	\$20	\$50	\$50				1.0681	0.9415
11	HMO	\$250	\$100		\$15	\$25	\$50	\$0				1.0652	0.9344
12	HMO	\$0	\$0		\$20	\$30	\$50	\$0				1.0647	0.9331
13	HMO	\$0	\$100		\$20	\$30	\$50	\$0				1.0633	0.9298
14	HMO	\$250	\$100		\$20	\$30	\$50	\$0				1.0622	0.9270
15	HMO	\$500	\$200		\$20	\$30	\$50	\$0				1.0597	0.9211
16	HMO	\$500	\$200		\$20	\$30	\$100	\$100				1.0581	0.9173
17	HMO	\$500	\$200		\$20	\$30	\$250	\$50				1.0547	0.9091
18	HMO	\$1,000	\$500		\$20	\$30	\$100	\$100				1.0522	0.9029
19	HMO	\$1,500	\$750		\$20	\$30	\$50	\$50				1.0485	0.8942
20	HMO	\$2,000	\$1,000		\$20	\$30	\$50	\$50				1.0437	0.8828
21	HMO	\$250	\$100		\$25	\$40	\$100	\$50				1.0559	0.9120
22	HMO	\$1,500	\$750		\$20	\$30	\$250	\$50				1.0437	0.8828
23	HMO	\$2,000	\$1,000		\$20	\$30	\$50	\$0				1.0439	0.8831
24	HMO	\$2,000	\$1,000		\$20	\$30	\$250	\$50				1.0389	0.8714
25	POS	\$500	\$200		\$15	\$25	\$50	\$0	\$500	30%	\$3,000	1.0621	0.9344
26	POS	\$0	\$100		\$10	\$20	\$50	\$0	\$500	30%	\$3,000	1.0687	0.9505
27	POS	\$250	\$100		\$20	\$30	\$50	\$0	\$500	30%	\$3,000	1.0615	0.9330
28	POS	\$500	\$200		\$20	\$30	\$50	\$0	\$500	30%	\$3,000	1.0591	0.9270

PCP	Primary Care Physician
SCP	Specialist Physician
IP	Inpatient (max. of 2/yr per family)
OP	Outpatient Surgery
HOSP	Combined Inpatient and Outpatient Deductible
ER	Emergency Room
AMB	Ambulance

1. All HMO and POS Plans have a DME rider benefit of: \$100 deductible, 80% coinsurance, Unlimited out-of-pocket built into the relativity

2. HMO Plans do not have Out-of-Network benefits.

**The Vermont Health Plan
Benefit Plan Relative Value Factors
Prescription Drug Cards**

Exhibit IV

index	Type	Deductible	Copay (\$) / Coinsurance (%)			Diabetic	Lifestyle Exclusion Rider	Mail Order Factor
			Generic	Preferred Brand	Non- Preferred Brand			
1	CMB	\$0	\$3	50%	50%	N	Y	2.5
2	CMB	\$0	\$5	40%	60%	N	N	2.0
3	CMB	\$50	\$10	20%	20%	N	N	2.0
4	CMB	\$100	\$5	40%	60%	N	Y	2.5
5	CMB	\$100	\$5	40%	60%	N	N	2.0
6	COI	\$0	50%	50%	50%	N	Y	2.5
7	COI	\$0	50%	50%	50%	N	N	2.0
8	COI	\$50	50%	50%	50%	N	Y	2.5
9	COP	\$0	\$0	\$15	\$40	Y	N	2.0
10	COP	\$0	\$1	\$1	\$1	Y	N	2.0
11	COP	\$0	\$2	\$2	\$2	Y	N	2.0
12	COP	\$0	\$3	\$3	\$3	N	N	2.0
13	COP	\$0	\$5	\$10	\$25	N	Y	2.5
14	COP	\$0	\$5	\$10	\$10	Y	N	2.0
15	COP	\$0	\$5	\$25	\$50	Y	N	2.0
16	COP	\$0	\$5	\$20	\$35	N	N	2.0
17	COP	\$0	\$5	\$20	\$40	N	N	2.0
18	COP	\$0	\$5	\$20	\$45	N	N	2.0
19	COP	\$0	\$5	\$15	\$35	N	N	2.0
20	COP	\$0	\$5	\$30	\$50	N	N	2.0
21	COP	\$0	\$10	\$15	\$15	Y	N	2.0
22	COP	\$0	\$10	\$20	\$35	Y	N	2.0
23	COP	\$0	\$10	\$20	\$40	Y	N	2.0
24	COP	\$0	\$10	\$25	\$40	Y	N	2.0
25	COP	\$0	\$10	\$30	\$50	Y	N	2.0
26	COP	\$0	\$10	\$15	\$30	N	N	2.0
27	COP	\$0	\$10	\$20	\$40	N	N	2.0
28	COP	\$0	\$10	\$25	\$40	N	N	2.0
29	COP	\$0	\$10	\$25	\$50	N	N	2.0
30	COP	\$0	\$10	\$30	\$50	N	N	2.0
31	COP	\$0	\$10	\$30	\$60	N	N	2.0
32	COP	\$0	\$10	\$35	\$60	N	N	2.0
33	COP	\$0	\$10	\$25	\$60	N	N	2.0
34	COP	\$0	\$15	\$25	\$40	Y	N	2.0
35	COP	\$0	\$15	\$25	\$40	N	N	2.0
36	COP	\$0	\$15	\$30	\$45	N	N	2.0
37	COP	\$0	\$15	\$30	\$50	N	N	2.0
38	COP	\$0	\$15	\$35	\$55	N	N	2.0
39	COP	\$50	\$5	\$10	\$25	N	Y	2.5
40	COP	\$50	\$5	\$10	\$25	N	N	2.0
41	COP	\$50	\$5	\$30	\$50	N	N	2.0
42	COP	\$50	\$10	\$15	\$30	Y	Y	2.5
43	COP	\$50	\$10	\$20	\$35	N	Y	2.5

Unlimited OOPM
Women's Preventive Same as Any Other
Relativity
Active
0.1281
0.1302
0.1554
0.1207
0.1221
0.1017
0.1028
0.0985
0.2073
0.2260
0.2235
0.2206
0.2070
0.2133
0.1886
0.1949
0.1940
0.1932
0.2008
0.1827
0.2022
0.1921
0.1913
0.1856
0.1786
0.1975
0.1891
0.1833
0.1816
0.1760
0.1745
0.1704
0.1800
0.1831
0.1805
0.1744
0.1736
0.1667
0.1992
0.2014
0.1758
0.1903
0.1807

\$1,200 OOPM
Women's Preventive Covered in Full
Relativity
Active
0.1635
0.1656
0.1729
0.1564
0.1581
0.1541
0.1557
0.1507
0.2096
0.2261
0.2238
0.2214
0.2106
0.2158
0.1952
0.2006
0.2001
0.1995
0.2054
0.1901
0.2088
0.2000
0.1994
0.1949
0.1889
0.2050
0.1978
0.1932
0.1922
0.1871
0.1862
0.1827
0.1913
0.1952
0.1933
0.1883
0.1878
0.1824
0.2031
0.2059
0.1835
0.1983
0.1901

\$1,250 OOPM
Women's Preventive Covered in Full
Relativity
Active
0.1630
0.1651
0.1724
0.1554
0.1571
0.1532
0.1548
0.1498
0.2096
0.2261
0.2238
0.2213
0.2105
0.2157
0.1951
0.2005
0.1999
0.1994
0.2053
0.1894
0.2087
0.1998
0.1993
0.1947
0.1887
0.2048
0.1977
0.1930
0.1920
0.1869
0.1860
0.1824
0.1911
0.1949
0.1930
0.1879
0.1875
0.1821
0.2030
0.2058
0.1834
0.1981
0.1898

**The Vermont Health Plan
Benefit Plan Relative Value Factors
Prescription Drug Cards**

Exhibit IV

index	Type	Deductible	Copay (\$) / Coinsurance (%)			Diabetic	Lifestyle Exclusion Rider	Mail Order Factor	Unlimited OOPM	\$1,200 OOPM	\$1,250 OOPM
			Generic	Preferred Brand	Non- Preferred Brand				Women's Preventive Same as Any Other	Women's Preventive Covered in Full	Women's Preventive Covered in Full
									Relativity	Relativity	Relativity
									Active	Active	Active
44	COP	\$50	\$10	\$15	\$30	N	Y	2.5	0.1879	0.1964	0.1962
45	COP	\$50	\$10	\$20	\$35	Y	N	2.0	0.1854	0.1942	0.1940
46	COP	\$50	\$10	\$20	\$35	N	N	2.0	0.1829	0.1922	0.1919
47	COP	\$50	\$10	\$20	\$50	N	N	2.0	0.1803	0.1907	0.1905
48	COP	\$50	\$10	\$25	\$35	N	N	2.0	0.1779	0.1876	0.1875
49	COP	\$50	\$10	\$25	\$40	N	N	2.0	0.1770	0.1872	0.1870
50	COP	\$50	\$10	\$30	\$50	N	N	2.0	0.1700	0.1808	0.1806
51	COP	\$50	\$10	\$35	\$70	N	N	2.0	0.1626	0.1759	0.1756
52	COP	\$50	\$10	\$25	\$45	N	N	2.0	0.1762	0.1867	0.1865
53	COP	\$50	\$15	\$25	\$40	N	Y	2.5	0.1715	0.1847	0.1844
54	COP	\$50	\$15	\$25	\$40	N	N	2.0	0.1737	0.1868	0.1866
55	COP	\$100	\$0	\$20	\$40	N	N	2.0	0.1878	0.1903	0.1902
56	COP	\$100	\$5	\$20	\$45	N	Y	2.5	0.1785	0.1853	0.1852
57	COP	\$100	\$5	\$25	\$50	N	Y	2.5	0.1724	0.1801	0.1793
58	COP	\$100	\$5	\$20	\$40	N	Y	2.5	0.1792	0.1858	0.1857
59	COP	\$100	\$5	\$35	\$50	Y	N	2.0	0.1720	0.1794	0.1792
60	COP	\$100	\$5	\$20	\$40	N	N	2.0	0.1814	0.1879	0.1878
61	COP	\$100	\$5	\$20	\$45	N	N	2.0	0.1806	0.1874	0.1872
62	COP	\$100	\$10	\$15	\$30	N	Y	2.5	0.1825	0.1906	0.1904
63	COP	\$100	\$10	\$30	\$50	N	Y	2.5	0.1624	0.1742	0.1739
64	COP	\$100	\$10	\$30	\$45	N	Y	2.5	0.1632	0.1746	0.1744
65	COP	\$100	\$10	\$30	\$45	Y	N	2.0	0.1686	0.1792	0.1790
66	COP	\$100	\$10	\$30	\$50	Y	N	2.0	0.1679	0.1788	0.1785
67	COP	\$100	\$10	\$15	\$30	N	N	2.0	0.1847	0.1926	0.1925
68	COP	\$100	\$10	\$20	\$40	N	N	2.0	0.1762	0.1861	0.1859
69	COP	\$100	\$10	\$25	\$45	N	N	2.0	0.1706	0.1814	0.1812
70	COP	\$100	\$10	\$30	\$45	N	N	2.0	0.1653	0.1766	0.1764
71	COP	\$100	\$10	\$30	\$50	N	N	2.0	0.1646	0.1762	0.1760
72	COP	\$100	\$15	\$40	\$60	N	Y	2.5	0.1491	0.1666	0.1662
73	COP	\$100	\$15	\$30	\$45	N	N	2.0	0.1631	0.1776	0.1772
74	COP	\$100	\$15	\$30	\$50	N	N	2.0	0.1623	0.1772	0.1768
75	COP	\$100	\$20	\$40	\$60	N	N	2.0	0.1490	0.1685	0.1681
76	COP	\$150	\$10	\$20	\$40	N	N	2.0	0.1716	0.1818	0.1815
77	COP	\$150	\$10	\$30	\$50	N	N	2.0	0.1603	0.1723	0.1720

* **Type:** CMB = combined; COI = coinsurance; COP = copay

* **Diabetic:** If "Y" then Diabetic supplies are covered at 100% of allowed charges; If "N" then Diabetic supplies are subject to cost sharing same as any other prescription drug (SAAO).

* **Lifestyle Exclusion Rider :** If "Y" then the benefit has the Lifestyle Exclusion Rider.

* **Mail Order Factor :** This is the number of copays taken on a 90-day mail order supply.